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NARA COLLEGE PARK, MD
1/30/58

U. S. ARMY ORDNANCE DISTRICT, ST. LOUIS

HISTORICAL SUMMARY

1 JANUARY - 30 JUNE 1958

This history completed 31 October 1958

Prepared by Historical Committee, U. S. Army Ordnance District, St. Louis

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2025212

Site St Louis Ordnance Plant
ID MO82100224645
Break 11 11

PREFACE

This Historical Summary has been prepared along functional or programming, as distinguished from organizational lines. That is, all significant activities of and events within the District have been deemed includable within one of the three major categories of (1) Contract Execution and Administration, (2) Industrial Mobilization or (3) Support Activities. This approach was employed for the Historical Summary for the period 1 July - 31 December 1957, and it is believed that the present format presents a clearer picture of the District's operation during the period covered by the Summary than past reports along organizational lines.

MISSION OF THE U. S. ARMY ORDNANCE DISTRICT, ST. LOUIS

1. The mission of the U. S. Army Ordnance District, St. Louis, is stated in ORDM 4-3, dated January 1954, and Changes thereto, and is summarized in the following paragraphs for reference purposes.

2. The U. S. Army Ordnance District, St. Louis has been designated by Department of the Army directives as a Class II activity. The geographical boundaries of this District are established in ORDM 4-3, January 1954, and Changes thereto.

3. The U. S. Army Ordnance District, St. Louis is under the command and jurisdiction of the Chief of Ordnance. The responsibility for direction and control of all Ordnance District operations is assigned to the Chief, Industrial Division, Office Chief of Ordnance.

4. The U. S. Army Ordnance District, St. Louis is assigned responsibility and delegated authority to perform the following functions in accordance with the stated policies and directives of the Chief of Ordnance.

a. Prepare and implement industrial mobilization plans essential to the procurement of material with particular emphasis on

- (1) Determining generally, without unduly disturbing industry, the production capabilities and material resources of the District.
- (2) Maintaining up-to-date information concerning the important industrial trends of the district as such trends may affect current or potential production of Ordnance procurement items.

b. As assigned by the commands and arsenals.

- (1) Obtain proposals, negotiate and administer contracts assigned, and administer transferred contracts for:
 - (a) The procurement of material.
 - (b) Ordnance research and development projects.
 - (c) Facilities

MISSION OF THE U. S. ARMY ORDNANCE DISTRICT, ST. LOUIS (Cont)

- (2) Furnish current data relative to the capabilities of a potential supplier.
- c. Perform functions similar to subparagraph (2) above, for the Chief of Ordnance, and for other Ordnance installations, if required.
- d. Furnish inspection services for mission arsenals, commands, other districts, other Ordnance installations, and in special cases, for other Services of the Department of Defense.
- e. Inspect and accept material procured by the District.
- f. Process vouchers for payment for material inspected and accepted.
- g. Train civilian and military personnel assigned to the District or as may be directed by the Chief of Ordnance.
- h. Exercise jurisdiction over Government-owned contractor-operated plants as assigned by the Chief of Ordnance.
1. In addition, the mission is to
 - (1) Cooperate with Headquarters, Fifth Army, in rendering assistance to and furnishing facilities for its Ordnance Reserve Officer training responsibilities.
 - (2) Develop plans for the organization and operation of the District, both for peace time and emergency periods.

SUBORDINATE INSTALLATIONS AND ACTIVITIES

U. S. ARMY ORDNANCE GUN PLANT-DICKSON

1. Effective 7 January 1951 the U. S. Army Ordnance Gun Plant-Dickson was redesignated a separate Class II Industrial Installation and returned to active status per General Order 13, Department of Army, dated 28 February 1951. Command responsibility for the U. S. Army Ordnance Gun Plant-Dickson was assigned to the U. S. Army Ordnance District, St. Louis per Ordnance Corps Order No. 14-55, dated 1 June 1955, effective 1 July 1955.

U. S. ARMY ORDNANCE GUN PLANT-DICKSON (Cont)

2. The present mission of the U. S. Army Ordnance Gun Plant-Dickson is standby, except as to that equipment and machinery being utilized in the Research and Development portion of the current operating contract. All other equipment and machinery is being processed for dehumidified storage.

3. The mobilization assignment of the U. S. Army Ordnance Gun Plant-Dickson is as follows

a. Production of 40mm M2, 90mm T139 and 105mm T96E1 Gun Tube Castings.

b. Production of 155mm T80, 8" Howitzer T89, 155mm M2A1 Gun.

ST. LOUIS ORDNANCE STEEL FOUNDRY

1. Effective 1 March 1955 the Government-owned facility formerly known as the Scullin Steel Co., St. Louis, Missouri, was redesignated the St. Louis Ordnance Steel Foundry, St. Louis, Missouri, and established as a Class II industrial installation under the jurisdiction of the Chief of Ordnance. (Department of Army General Order 24, dated 25 March 1955.) Command responsibility for the St. Louis Ordnance Steel Foundry was assigned to the U. S. Army Ordnance District, St. Louis per Ordnance Corps Order 14-55, dated 1 June 1955, effective 1 July 1955.

2. The current mission of the St. Louis Ordnance Steel Foundry is standby and equipment and machinery are being processed for extended storage in place. In addition, available space at the site is being utilized for storage of package lines and other District equipment.

3. The mobilization assignment of the St. Louis Ordnance Steel Foundry is the production of components of the M48 Tank (long nose hull, rear null and turrets).

TABLE OF CONTENTS

	<u>PAGE</u>
CHAPTER I CONTRACT EXECUTION AND ADMINISTRATION	
Part 1 Statistical Information	
a. Contracts Under Administration	1
b. Allocations	2
c. Nationwide Requests for Proposals	4
d. Invitations To Bid	5
e. Pre-Award Surveys	7
f. Inspection Requisitions	8
g. Procurement Processing Time	9
h. Delinquencies	10
i. Transportation Activities	11
j. Open End Contracts	13
Part 2 Significant Events and Activities	
a. District-Contractor-Command/Arsenal Relations	14
b. Price Analysis	15
c. Repricing	18
d. Termination	19
e. Claims and Appeals	20
f. Particular Contracts	22
g. Move To New Quarters	23
h. Visit of Asst. Secretary of the Army (Logistics)	24
i. Integrated Industry Missile Team Concept	25
j. Financial and Operating Review	26
k. Qualitative Development Requirement Information Program	27
l. Unsolicited Proposals	28
m. Contractor Fields of Interest	29
n. Breakout From Missile System Procurement	30
o. Ordnance Office at Rocketdyne, Inc. Neosho, Missouri	31
p. New Business Forecast	32
q. Operations Planning Panel	33
r. Inspections	34
s. Elimination of Obsolete Drawings	35
t. Tri-Service Directory	36
CHAPTER II INDUSTRIAL MOBILIZATION PLANNING	
Part 1 Industrial Mobilization Activities	37
Part 2 Layaway Activities	39
Part 3 Dickson Gun Plant	40
Part 4 St. Louis Ordnance Steel Foundry	45
Part 5 Disaster Planning	47

TABLE OF CONTENTS (CONT)

	<u>PAGE</u>
 CHAPTER III SUPPORT ACTIVITIES	
Part 1 Legal Activities	48
Part 2 Changes in Officers/Key Personnel	49
Part 3 Incentive Awards	50
Part 4 Superior Performance Awards	51
Part 5 Training	52
Part 6 Small Business Activities	53
Part 7 Labor Relations	54
Part 8 Safety and Security Activities	55
Part 9 Progress of Quality Assurance Program	56
Part 10 Inspection Interchange	58
Part 11 District Operations Review Task Team	59
Part 12 Operation Brainstorm	60
Part 13 Contract File Format	61
Part 14 Property Disposal	62
Part 15 District Command Management	65
Part 16 Property Activity	67
Part 17 Finance and Accounting Activity	70
Part 18 Budget Activities	72

CHAPTER I

CONTRACT EXECUTION AND ADMINISTRATION

PART 1

STATISTICAL INFORMATION

a. Contracts under Administration

The following figures set forth illustrate the number of Contracts and their face value under administration as of the end of the periods indicated (Value in \$1,000)

<u>No. of Contracts under Administration</u>	<u>Face Value</u>
	<u>31 December 1955</u>
345	210,116
	<u>30 June 1956</u>
368	177,369
	<u>31 December 1956</u>
446	171,569
	<u>30 June 1957</u>
371	158,068
	<u>31 December 1957</u>
360	142,936
	<u>30 June 1958</u>
451	142,394

It is to be noted that the numerical count of contracts rose to the level of 31 December 1956, an increase of 25.3% over 31 December 1957. However, the dollar value remained on the same level as 31 December 1957. The District thereby experienced a significant increase in workload while the average dollar value of its contracts declined.

b. Allocations

The chart which follows, Figure 1, Page 3, "Allocations Received", affords a statistical comparison between the report period (Column 6) and the corresponding period of the previous year, January - June 1957 (Column 4) as follows

The Production Allocations reflect a 24% numerical increase and a 99.5% monetary increase.

Small Purchases reflect a 48% numerical increase and a 30% monetary increase.

Research and Development Allocations reflect an 11.7% numerical increase and a 76.4% monetary increase.

Mobilization Allocations reflect a 100% numerical increase and a 27% monetary increase.

Overall allocations reflect a 39.3% numerical increase and a 92.8% monetary increase.

Of the foregoing allocations, 31, having a dollar value of \$750, 455.53 were received from Army Ballistic Missile Agency. This represents an increase of seven (7) allocations and a dollar increase of 242% over the corresponding period of the previous year.

Allocations Received
(Value in \$1,000)

Col. 1		Col. 2		Col. 3		Col. 4		Col. 5		Col. 6	
Jul-Dec 55		Jan-Jun 56		Jul-Dec 56		Jan-Jun 57		Jul-Dec 57		Jan-Jun 58	
No.	Dollar	No.	Dollar	No.	Dollar	No.	Dollar	No.	Dollar	No.	Dollar
Production											
33	1,002	82	4,862	88	9,501	104	5,486	73	1,488	129	10,958
Small Purchases											
94	25	209	58	137	44	171	46	148	45	253	60
Research & Development											
39	515	37	1,025	41	868	45	1,226	36	545	51	2,163
Mobilization											
36	974	13	853	22	930	7	233	20	1,003	14	296
Total											
202	2,516	341	6,798	288	11,343	327	6,991	277	3,081	447	13,477

Figure 1

c. Nationwide Requests for Proposals

During the reporting period, eighty three (83) proposals were received from contractors who had been requested by the District to submit such proposals under nationwide procurements received from the Commands and Arsenals. These proposals were evaluated and forwarded to the Commands and Arsenals along with the District's recommendation for award. During this same period, sixteen (16) contracts were entered into based upon the proposals which had been approved for award by the cognizant Command or Arsenal.

d. Invitations for Bid

The chart which follows, Figure 2, Page 6, "Invitations for Bid" affords a statistical comparison between the report period (Column 6) and the corresponding period of the previous year January - June 1957 (Column 4) as follows:

IFB's received reflect a numerical increase of 11.9%.

IFB's received applicable to district contractors reflect an increase of 141%.

IFB's sent out by the district reflect an increase of 232.8%.

Number of bids received reflect an increase of 350%.

Number of bids solicited direct by Arsenal's reflect a decrease of 67%.

Invitations for Bids

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
	Jul-Dec 55	Jan-Jun 56	Jul-Dec 56	Jan-Jun 57	Jul-Dec 57	Jan-Jun 58
IFB's Received	1,192	3,111	2,944	1,664	993	2,004
IFB's Determined Applicable to District Contractors	375	503	511	384	459	925
IFB's sent out by District	696	1,403	982	1,000	1,488	3,328
Number of Bids Received	211	117	140	117	164	527
No. of Contractors Bids being solicited direct by Arsenal	812	404	1,495	1,152	251	689
Contracts Received				58	9	143

FIGURE 2

e. Pre-Award Surveys

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
	Jul-Dec 55	Jan-Jun 56	Jul-Dec 56	Jan-Jun 57	Jul-Dec 57	Jan-Jun 58
No. of Requests	225	324	228	222	118	419 (Note 1)
Monetary Value (\$1,000's)	26,577	36,283	28,697	26,279	8,017	46,549

Note 1. Requests for Pre-Award Surveys include thirteen (13) months pre-award information lists surveys.

Figure 3

f. Inspection Requisitions

During the reporting period the District Inspection Division handled inspection requisitions, pursuant to ASPR XIV, having an aggregate value of \$17,415,000.00 of delivered items, and covering one hundred and sixty seven (167) individual requisitions.

No unusual problems were encountered by the District in the discharge of this inspection function.

g. Procurement Processing Time

As stated in the report for the prior Historical Summary period, July 1 - December 31 1957, due to funding problems, the average processing time for Small Purchases had increased from 18 days to 42 days, and for "Other" allocations had increased from 22 days to 26 days.

With prompt availability of funds during this reporting period, the District was able to make the significant reductions in processing time from 42 days for Small Purchases to 11.2 days and from 22 days for other allocations (Production and Research) to 21.5 days. It is believed that the two above figures represent the shortest procurement processing times of any procuring office in the Ordnance Corps.

h. Delinquencies

During the reporting period the improving trend in the delinquency rate continued downward to a rate of 3.3% as against a rate of 7% for the corresponding period of 1957 and a rate of 5.25% for the quarter ending 31 December 1957.

1. Transportation Activities

The following are representative of instances in which the district Transportation Officer took appropriate action to effect a substantial saving to the Government in connection with shipments made under contracts administered by this district

Case A - Fifteen (15) Tank Trucks were scheduled for shipment from Omaha, Nebraska, to various destinations. Rail routings were furnished by MTMA to cover these moves as AR JJ-355 does not permit driveaway service over 750 miles. However, since some exceptions are granted, permission for driveaway service was requested from OTAC and MTMA and, as a result, driveaway routings were furnished. The rail routings originally furnished by MTMA would have cost the Government \$10,053.97 whereas the driveaway routings did cost \$4,826.80, a savings of \$5,227.17.

Case B - Eight (8) trucks, unserviceable and not driveable, were scheduled to move from San Antonio, Texas to Toledo, Ohio. Route was furnished by Central Traffic as United Transport at a rate of \$5.92 minimum 12,000 lbs. or a total cost of \$4,196.00. The rate was questioned as being high in relation to previous estimates. The rate was verified by Central Traffic. A cheaper rate was then located and the route changed to C & H Transport at a rate of \$4.05 minimum 14,000 lbs., a total cost of \$3,427.52, resulting in a savings to the Government of \$768.58.

Case C - Routings were furnished by MTMA to cover the move of 100 pick-up trucks from Dallas, Texas to Gulfport, Mississippi, at \$85.40 per truck via combination driveaway. At the request of the District,

the route was changed to truckaway at \$79.10 per vehicle, resulting in a savings to the Government of \$630.00.

Case D - Thirteen (13) vehicles scheduled for shipment from Dallas, Texas to Belle Chasse, Louisiana and sixteen (16) vehicles to New Orleans, Louisiana were routed combination driveaway by MTMA at a cost of \$71.50 each plus \$8.00 towbar and \$119.00 for single driveaway. At the request of the district, the routing was changed to truckaway at \$64.60 each, a savings to the Government of \$357.60.

Case E - A letter from MTMA, Washington, D.C., dated 30 June 1953, advised that Form 1900 "Request for Rate Negotiation" on the 7.62mm Nato round to be produced by Olin Mathieson Chemical Corporation at East Alton, Illinois was effective. As a result of the district's request, special rates were negotiated which will result in a reduction in transportation costs of \$7,848.52.

J. Open End Contracts

The District continues to administer three (3) open end contracts under which the District as well as other Government using agencies from time to time place orders for certain off-the-shelf items which the contractors have agreed to furnish in such quantities as the Government may desire.

Two (2) of the contracts are for standard automotive repair parts and the third is for the supply of spare parts for the Corporal Erector System.

During the reporting period, the District placed 117 orders on either a "Blue Streak" or "Emergency" basis having a total dollar value of \$18,022.65 under the Corporal Contract. Eighteen (18) orders of a total dollar value of \$12,250.82 were placed against the two (2) automotive contracts.

PART 2

SIGNIFICANT EVENTS AND ACTIVITIES

a. District-Contractor-Command/Arsenal Relations

During the reporting period, the tenor of District-Contractor-Command/Arsenal Relations has been brought to a high level by the continued efforts of the Commander and his Staff through personal contacts. Wider contractor participation in bidding for business has resulted and has brought to light previously unknown sources of vital procurement, which have been referred to the Commands and Arsenals, as appropriate. It is believed that the wider creation and production base brought to light has been of benefit to the Ordnance Corps.

b. Price Analysis

A total of 974 price analyses were completed during the period 1 January - 30 June 1958. This total is an increase from the 805 analyses completed during the previous six months period. This increase is attributable to the abnormal delay in new procurement during the second quarter of Fiscal Year 1958 and resultant upturn upon release of the procurement program during this reporting period.

Repricing of Brown and Root, Inc., Contract DA-20-089-ORD-13201 was completed during the month of January 1958 and report has been submitted to OCO for final approval. Kramer Machine and Engineering Company as a subcontractor to Brown and Root, Inc. was audited by Brown and Root, Inc. and results of this repricing have affected the final settlement of Brown and Root's repricing. Mr. M. Wisser of Contract Pricing Office of OCO visited the District on 6 February 1958 to review and discuss Brown and Root Contract DA-20-089-ORD-13201 repricing with the price analyst and other members of the negotiating team. Mr. Wisser was satisfied with answers to his questions which had to be clarified prior to review of this repricing by OCO.

Seven of the price analysts made application for a correspondence course on Guided Missiles. This course should be of considerable value to the analysts in analysis of procurements for guided missiles, which should be the major portion of all procurements in near future.

Several conferences were held in regard to negotiation of G & A rate for the period 1 July 1956 thru 31 December 1956 with Olin Mathieson Chemical Corporation. During the coordinated negotiation conference held at U.S. Army Ordnance District, Springfield, the St. Louis and Springfield

c. Repricing

During the reporting period, the district finalized two (2) repricing actions that with University of Texas, Contract DAI-23-072-501-ORD-(D)-6 and West Side Machine Works, Contract DAI-23-072-508-ORD-(R)-1. Both repricings were on a Form III basis and presented no difficulties.

The repricing of Brown & Root, Inc., Contract DA-20-089-ORD-13201 was completed on 30 January 1958 and forwarded to OCO for approval on 31 January 1958. Subsequently the repricing of subcontracts with Kramer Engineering and Manufacturing Company and Giffels-Vallet were forwarded to OCO for approval on 2 May 1958 and 23 May 1958, respectively. As of 30 June 1958, approval had not been received by the district.

Three (3) additional contracts entered the repricing area during this period, namely, Olin-Mathieson Chemical Corporation DA-23-072-ORD-1082 and DA-23-072-ORD-1083, both Form IV and Elgin National Watch Company, DA-23-072-ORD-1128, an incentive type repricing. Audits of contractors' statements of costs on these contracts were in progress at the close of the reporting period.

Two (2) additional contracts were negotiated during this period which contained a repricing clause, namely, Olin Mathieson Chemical Corporation, Contract DA-23-072-ORD-1257 and Jackes-Evans Mfg., Co., Contract DA-23-072-ORD-1310. The former contract, which is for production of the Nato round, contains the IIB form repricing and the latter for the Nato round belt links contains the Form IV repricing clause.

Ordnance District representatives did not agree in the matter of application of cost principles. An additional conference was subsequently held in Washington with St. Louis and Springfield Ordnance District representatives, Washington Army Audit Headquarters representatives, representatives from Bridgeport and St. Louis Army Audit Agencies and representatives from Contract Pricing Office, OCO, Washington. The items in disagreement were presented to OCO by St. Louis and Springfield Ordnance District representatives with the decision on the matter to be made by OCO.

Three nationwide procurements, each in excess of \$1,000,000.00 were analyzed by this Branch during the month of March. Olin Mathieson Chemical Corporation received a contract in the amount of \$3,300,000.00, and proposals from Jackes-Evans Mfg. Company in the amount of \$1,004,000.00 and from Butler Mfg. Company in the amount of \$2,408,000.00 were forwarded to the Commands for evaluation.

A conference was held between representatives of Carter Carburetor and U. S. Army Ordnance District, St. Louis on 29 April 1958 to discuss the contractor's pricing policy. It was the desire of the District to obtain a greater discount for quantity purchases than the present 69.5% allowed the Government on all its purchases from Carter Carburetor. Contractor stated that it is the industry's practice to allow a greater discount to original equipment manufacturers than to replacement or service users and regardless of quantities purchased contractor cannot allow OEM discounts to the Government. Contractor also advised that the 69.5% discount used in open-end contract is the rate negotiated to average the small purchases with quantity purchases. This District has made every attempt in the past and during recent conferences to obtain greater

discounts for quantity purchases, but contractor will not deviate from his present policy.

Six price analysts satisfactorily completed a 40 hour course in Contract Price Analysis presented in the District from 7 April thru 18 April 1958. Professor Philip H. Hensel of the University of Toledo conducted the course for the first week and Mr. C. Kullmann of Operations Division and the Chief of Financial Services Branch, Mr. John Ferlisi, instructed during the second week. Specific subject matter of the course included price comparison and analysis using available pricing data, cost estimating, learning curves, overhead estimating and forecasting, review of pre-audit survey, analysis of contractor's cost system and estimating methods, analysis of contractor's financial ability to perform, and other miscellaneous pricing techniques.

Several trips by price analysts to contractor's plants were made in the month of May 1958 in connection with large nationwide procurements. In most cases the results of the trips were very successful. For an example, on a proposal from Alco Company, Proposal Nr APA 425-58, the price analyst was instrumental in a reduction of \$115,518.00. In another nationwide procurement, proposals were reduced substantially. The following schedule reflects the reductions as a result of price analysis and negotiations

	Unit Prices T336E7		Unit Prices T336E10	
	Original Proposals	Negotiated Proposals	Original Proposals	Negotiated Proposals
The J. J. Fire Corp.	2.19	1.975*	\$.924	\$.86*
Alanson Co	2.17	1.9991*	.79562	.74513*
Stable Craft Co, Inc.	2.31	2.121*	1.788	1.722
McPolson Industries	4.13345	2.262	2.18485	1.0928
Carter Carroussel	2.3973	2.3978	1.5361	1.5361
Universal Latex Corp	10.010	-	.9698	.89*
C-C Estimate		2.20		1.40

*Recommended for consideration.

d. Terminations

The termination settlement on Universal Match Corporation, Contract DA-23-072-ORD-744, and reported in the prior reporting period was not settled by 30 June 1958 due to unforeseen difficulties in the disposition of inventories, some of which required decontamination. The remaining four terminations reported on hand as of 31 December 1958 were settled during this period. There were no new terminations during this period.

e. Claims and Appeals

1. Gibmanco Corporation

Under Contract DA-28-017-ORD-613, a determination and findings as issued by the Contracting Officer stating that the proposed amount of the Contractor's termination claim was found to be \$1,092.43. Under Contract DA-36-038-ORD-1276, a determination and findings in the amount of \$2,731.07 was issued on the termination claim under that contract. Supplemental Agreement No. 8 under Contract DA-28-017-ORD-613 and Supplemental Agreement No. 2 under Contract DA-36-038-ORD-1276 were resubmitted to the Contractor for consideration.

2. Universal Match Corporation Contract No. DA-23-072-ORD-744

Under date of 17 May 1957, the Contractor had submitted an application requesting relief in the amount of \$49,900.00 pursuant to Title II, First War Powers Act, 1941, as amended, and Executive Order 10210. The Contractor's claim was considered by the Acting Chief of Ordnance and a decision was rendered under date of 19 March 1958 granting the Contractor the relief requested.

3. Universal Match Corporation Contract No. DA-23-072-ORD-866

The appeal of the Contractor to the Armed Services Board of Contract Appeals, reported in the last prior reporting period, from the decision of the Contracting Officer denying the Contractor's termination claim in its entirety remains unsettled.

4. Parco Corporation Contract DA-23-072-ORD-441

The district considered the amount of \$13,000.00 referred to it for further consideration by the Armed Services Board of Contract Appeals and determined that the items of cost comprising this sum were proper. An amendment to Contract DA-23-072-ORD-441 was executed by the

parties providing for payment to the Contractor of an amount of \$248,186.21 in settlement of the termination claim, as approved by the Armed Services Board of Contract Appeals, of \$236,595.13, plus the sum of approximately \$13,000.00 less certain credits. That supplemental agreement provided the Government with a release for Contracts DA-23-072-ORD-441 and DA-23-072-ORD-531. The supplemental agreement further provided for nullification of the Contractor's motion for reconsideration. Under date of 25 May 1958, appellant's motion for reconsideration was denied by the Armed Services Board of Contract Appeals.

5. Baldwin-Lime-Hamilton Corporation P.O. 58-103-23-072

The Contractor filed a claim for \$720.00 alleging mutual mistake, which will be processed through Chief of Ordnance to General Accounting Office.

6. Bowen McLaughlin, Inc., Contract DA-23-072-ORD-1184

Contractor submitted an application for relief in the amount of \$49,903.49 under Title II of the First War Powers Act. The district recommended denial of the claim in its entirety which position was substantiated by letter of 6 June 1958 from Chief of Ordnance citing its determination that the Contractor was not entitled to relief.

7. Dorsett Laboratories, Inc., Contract DA-29-040-ORD-1211

A claim was received from Dorsett Laboratories, Inc., in the amount of \$11,000.00 alleging that it sustained damages in that it incurred costs in attempting to produce an item pursuant to faulty drawings and specifications and in redesigning the item so that it would function properly. Costs are being analyzed preparatory to making a recommendation through Chief of Ordnance to General Accounting Office.

f. Particular Contracts

1. Cameron Iron Works, Inc., Contract DA-23-072-ORD-32.

The revised rental plan with Cameron Iron Works, Inc., for use of Government-furnished equipment, as effected by Supplemental Agreement No. 12, resulted in receipt of rental payments of \$251,477.19 for this reporting period as against the sum of \$322,208.12 received for the last prior semi-annual period.

2. Brown & Root, Inc., Contracts DA-23-072-ORD-39, DA-23-072-ORD-66, DA-23-072-ORD-510, DA-23-072-ORD-51, DA-23-072-ORD-519 and DA-20-089-ORD-13201.

Settlement of the above contracts with Brown & Root, Inc., was transmitted to Chief of Ordnance on 22 January 1958, with the exclusion therefrom of subcontracts with Giffels-Vallet, Inc., and Kramer Machinery and Engineering Products Company. Proposed settlement of Giffels-Vallet Inc., was transmitted to Chief of Ordnance on 23 May 1958. Proposed settlement with Kramer Machinery and Engineering Products Company as subcontractor under DA-23-072-ORD-519 was transmitted to Chief of Ordnance on 2 May 1958, and as a subcontractor on DA-20-089-ORD-13201 on 23 May 1958. As of the close of this reporting period, the overall settlement was being prepared for transmission to the Justice Department.

g. Move to New Quarters

In the interest of economy, the district completed its move from leased space at 1016 Olive Street to the Government owned facility located at 4300 Goodfellow Boulevard, St. Louis 20, Missouri on 31 May 1958. The supply and file areas were moved during regular business hours without interference with normal work. In the original planning it was anticipated that the move would require three (3) days: Friday, Saturday and Sunday. However, the move was completed by the moving company at 1400 hours on Saturday and by district personnel at 1230 hours the same day. The only loss of operating time was in the packing and unpacking of each individual's desk. All personnel were able to carry on normal business operations on Monday, 2 June 1958.

The new quarters provide not only a more adequate and safer area for operation of the district office. Fire and health hazards have been eliminated and sanitary conditions are greatly improved. It is believed that some monetary savings, not completely ascertainable at this time, will result from the relocation of the district office to the Government owned site.

h. Visit of the Assistant Secretary of the Army(Logistics)

Honorable Frank H. Higgins, Assistant Secretary of the Army(Logistics) and members of his staff, including Brigadier General Jean Engler, Director of Procurement, visited the district on 10 March 1958. Mr. Higgins was briefed on the current district activities as well as the production and research capabilities in the area covered by the district, with particular emphasis given to the missile field. The Secretary showed keen interest in the district approach of encouraging aggressive and reliable companies in the area, including some small business firms, to form teams with capabilities to produce complete missile systems, whereas, individually they would not have such capabilities. At the request of Mr. Higgins, the discussion was reduced to writing, with copies furnished to him and General Engler

1. Integrated Industry Missile Systems Team Concept

The brochure entitled "Integrated Industry Missile Systems Team Concept", inclosure 1, is a concise history of the actions taken by the district during the reporting period to obtain prime contract missile work for small business as distinguished from the giants of the aircraft, automotive and electronic industries to which had been awarded the bulk of the production missile systems procurement. The implementation of this concept has been one of the principal activities of the district since 1 January 1958, and has resulted in the formation of six (6) potential teams, three (3) of which have a Small Business firm as the Systems Manager. Three (3) of the teams have submitted proposals based on nationwide bidding for a missile system.

j. Financial and Operating Review

The brochure, inclosure 2, entitled "Financial and Operating Review, 30 June 1958, U. S. Army Ordnance District, St. Louis" is issued quarterly and distributed to the Commanding Officer and his top staff for review of District activities and as a guide for managerial action.

This publication is prepared from information generated by the District Command Management System as well as future workload projections. The three (3) major areas covered are the Financial Review, Review of Mission Accomplishments and Projections and Review of District Operations. A document of this nature, universally employed in modern business and indispensable to effective management and control, has been adapted to District operations and has been found very valuable as a planning and control device for the top management team.

k. Qualitative Development Requirement Information Program

Upon receipt of Ordnance Corps Order 7-58 and OCTI 200-2-58, both dated 9 April 1958, the district took immediate steps to disseminate the program to industry in the district area. Approximately seventy-five (75) press releases were forwarded to newspapers in the district area and talks by the Commanding Officer and other personnel have been made to American Ordnance Association Membership, Chambers of Commerce and like groups on the program. To further the program, a responsible individual has and will coordinate all activities in this area.

As of the end of the reporting period, lists of basic and supporting research and development fields were being received from Commands and Arsenals with few exceptions. However, industry reaction has thus far not been as widespread as anticipated.

1. Unsolicited Proposals

Since November 1957, the district has encouraged science and industry in the district area to come to the district with ideas that might be useful to the Ordnance Corps and the Army. This is in line with the Ordnance Corps concept of the Science-Industry-Ordnance team, in that it benefits the Corps by making available a broader base of idea creation. This has resulted in the receipt of ninety-one (91) unsolicited proposals, twenty (20) of which have resulted in definitive contracts, and forty-three (43) of which are currently under consideration by one or more Commands and Arsenal.

4cl 2'

m. Contractor Fields of Interest

The district has been presented with sixty-two (62) Fields of Interest in Research and Development work by industry and institutions in the district area. These fields of interest are outside of the present areas of solicitation by the Commands and Arsenal's but are submitted to them by the district in the anticipation that some or all of the new concepts and ideas may be beneficial to the Ordnance Corps program. As of the end of the reporting period, the U. S. Army Ordnance Missile Command has expressed interest in seven (7) of the fields of interest submitted and has requested the district to obtain additional information for evaluation. It is believed that this program of "feeding in" basic ideas and concepts will enhance the research and development program.

n. Breakout from Missile System Procurement

On 23 June 1958, a contract was awarded by this District to Intercontinental Manufacturing Company, Inc., of Garland, Texas, after nationwide bidding which elicited 50 proposals, for a quantity of XM-30 Jato for Nike Hercules aggregating \$2,166,566.65.

This award is significant in that

(1) It represents the first sizable missile item breakout from under the missile system procurement concept.

(2) It demonstrated that nationwide bidding on a missile system item will produce effective competition. In this instance, the item cost was reduced by approximately one-third from the last prior price, and resulted in a savings of nearly \$1,000,000.00 which Ordnance will have available to procure other required items.

o. Ordnance Office at Rocketdyne, Inc., Neosho, Mo.

During March 1958, an Ordnance Office was established at Rocketdyne, Inc., Neosho, Missouri to assist the U. S. Army Ballistic Missile Agency, the U. S. Army Ordnance District, Detroit and the U. S. Army Ordnance District, Los Angeles, in the contract administration and inspection of rocket engine production for missiles. The district selected a representative to act as Contracting Officers Representative, which selection was approved with following appointment by Detroit Ordnance Districts Commanding Officer.

During May 1958, the requisite training of the Contracting Officers Representative and all inspection and office personnel was completed, and all personnel were at their post in Neosho.

p. New Business Forecast

New business for fiscal year 1958 was forecast in the amount of \$54,000,000 against which the actual dollar value of new business amounted to \$53,500,000 or 98.3% of the overall goal. As used here, new business consists of the value of executed contracts, the value of contracts transferred into the district for administration and the value of inspection requisitions received. Based upon program data received and close liaison with Commands and Arsenals, a forecast of new business for fiscal year 1959 will be made shortly after the beginning of fiscal year 1959. The progress of actual business received against forecasts is a regular matter of discussion at the Commanding Officer staff meetings and is graphically illustrated by up-to-the-minute charts.

q. OPERATIONS PLANNING PANEL

The Operations Planning Panel was established on 21 January 1958.

The primary functions of the panel are:

- a. Develop long range plans for procurement and research and development in the district area, exercising the widest possible latitude in advanced thinking.
- b. Maintain an orderly and economical plan and take maximum advantage of all resources in the district area.
- c. Review plans and programs of Ordnance installations primarily engaged in procurement and research and development activities, including the proposed use of contractors.
- d. Review and explore the capabilities of the contractors in the District.
- e. Match the capabilities of the District area with Ordnance procurement requirements.
- f. Fit the district procurement effort into the Ordnance procurement program to the best advantage of the District and the Ordnance Corps.

To implement the above activities, the "Item Data Sheet" SLD Form 544, the "Command/Arsenal Procurement Potential Item List", SLD Form 550 and the "Unsolicited Proposals", SLD Form 551 were developed and are attached hereto as Inclosures 3, 4 and 5.

Minutes are kept of all Panel Meetings and are distributed to all panel members and to the Commanding Officer and his staff so that all segments of the District are kept abreast of the constantly changing program.

r. Inspections

During the reporting period, U. S. Army Ordnance District, St. Louis, was visited and inspected as follows

- (1) AGI, Fiscal Year 1958, 27 January through 14 February 1958.
- (2) U. S. Army Audit Agency, Lateral Audit, 7 February through 9 May 1958.
- (3) Industrial Division of Office Chief of Ordnance Staff, visit 20-21 February 1958.
- (4) Staff visit, Ordnance Power Procurement Office (OWC), 21 March 1958.
- (5) DCSLOG Procurement Inspection, 9 April through 1 May 1958.

The dates set forth in the foregoing indicate that the District was continuously under inspection by one or more inspection teams for approximately three and one-half (3½) months, that is, from 27 January through 9 May 1958.

s. Elimination of Obsolete Drawings

In conjunction with the move of the District from 1016 Olive Street to the St. Louis Ordnance Plant, a program was instituted for reducing the number of Ordnance drawings maintained in the District. It was determined to retain only those drawings required for mobilization planning, current production contracts or bearing an issue date subsequent to 31 December 1945. As a result of the screening, prior to the move of the District, approximately 61,000 drawings were destroyed out of an estimated total of 180,000 drawings. The number of cabinets utilized for storage of drawings has thus been reduced from 40 to 22.

t. TRI-SERVICE DIRECTORY OF BUSINESS FIRMS
IN
LABOR SURPLUS AREAS IN CENTRAL NAVAL DISTRICT

OCO letter dated 23 April 1958, file OO/8UO-13017, subject Directories of Firms in Labor Surplus Areas, requested addresses, including this district to contact the appropriate Naval Inspector to offer necessary assistance to accomplish the objectives of the joint venture in preparing a Tri-Service Directory of Business Firms in Labor Surplus Areas.

Contact was made by this office with the Inspector of Naval Material, St. Louis on 29 April 1958, which conference was also attended by a representative of the Air Force. It was determined at the meeting that the following states in the Central Naval District had surplus labor areas Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Oklahoma, Texas and Wisconsin. Assignments were made to gather the necessary information as follows Illinois - Chicago Ordnance District and Navy Insmat, Indiana - Cincinnati Ordnance District, Kansas - Navy Insmat, Michigan - Detroit Ordnance District and Navy Insmat, Minnesota - Navy Insmat, Missouri - St. Louis Ordnance District, Oklahoma - Navy Insmat, Texas - St. Louis Ordnance District and Navy Insmat, and Wisconsin - Navy Insmat. The assignment of one organization to each area was to prevent duplication of material. Neither Birmingham, Los Angeles nor San Francisco Ordnance Districts were called upon to assist, since the states within their geographical areas contained no surplus labor areas.

Prior to 30 June 1958, this office with the concurrence of the Naval Inspector developed the letters and formats to gather the required information from the business firms in the surplus labor areas, which were in process of distribution at the close of the reporting period.

CHAPTER II

INDUSTRIAL MOBILIZATION PLANNING

PART 1

INDUSTRIAL MOBILIZATION ACTIVITIES (STATISTICS)

The chart which follows, Figure 4 Page 38 "Industrial Mobilization Planning" indicates the status of Industrial Mobilization Planning as of 1 January - 30 June 1958.

It can be noted from this chart that the district has active planning (DD Fms 406) with a substantial percentage of plants wherein U. S. Army Ordnance District, St. Louis is ASPPO and CPPPO.

The program of continuity of essential operations was continued. This included a listing of all plant locations by coordinates and duplication of pertinent Industrial Mobilization Planning records forwarded to alternate records storage point.

District Industrial Mobilization Planning meetings were held with all District and Regional Office Representatives to assure compliance and coordination of the Industrial Mobilization Planning Program.

The District Industrial Mobilization Planning Specialist regularly visited the Regional Offices and Commands and Arsenals to assist and coordinate the Industrial Mobilization Planning Program.

Numerous Industrial Mobilization Planning Panel meetings were held for the purpose of recommending potential sources, cancellation of assignments and coordination of other Industrial Mobilization Planning activities.

The alphabetical Register of Mobilization Producers was reconciled with records in this office and the necessary actions to correct discrepancies were forwarded to Office of Chief of Ordnance.

INDUSTRIAL MOBILIZATION PLANNING

<u>Status as of 31 Dec 57</u>		<u>Status as of 30 June 1958</u>	
<u>No. of Facilities</u>	<u>No. of Plants</u>	<u>No. of Facilities</u>	<u>No. of Plants</u>
<u>Number of Facilities & Plants</u>			
ASPPO	80	76	113
CPPO	41	39	41
<u>Number of Actively Planned Facilities & Plants</u>			
ASPPO	55	51	53
CPPO	16	14	14
<u>Number of Facilities & Plants Added During Report Period</u>			
ASPPO	9	1	4
CPPO	0	0	0
<u>Number of Facilities & Plants Cancelled or Transferred During Report Period</u>			
ASPPO	35	17	17
CPPO	1	0	0
<u>Number of Items Included in Planning</u>			
<u>No. of Items</u>		<u>No. of Items</u>	
ASPPO & CPPO		65	
<u>Number of New Items of Planning Received</u>			
ASPPO & CPPO		1	
<u>Number of Items of Planning Deleted</u>			
ASPPO & CPPO		34	

NOTE: The above report does not include 411 line items which U. S. Army Ordnance District, St. Louis has planned for other agencies.

FIGURE 4

PART 2

LAYAWAY ACTIVITIES

At the end of the reporting period, the district had the administration of thirty-seven (37) Base Production Units in thirty (30) Base Production Plants, of which twenty-seven (27) BPU's were idle, four (4) were partially active and six (6) were active. Of the idle BPU's, eight (8) were in Government storage sites, five (5) were in GOCO plants and fourteen (14) were in contractor owned plants. During the reporting period, twelve (12) BPU's in seven (7) BPP's were declared excess and are in process of disposal, and six (6) BPU's in six (6) BPP's were added to the mobilization base.

The five (5) BPU's in GOCO plants represent an outlay of \$63,874,893 at current replacement value, which are being maintained at an annual cost of \$378,281, that is a percentage of 0.059. The fourteen (14) BPU's in privately owned plants are being maintained at an annual cost of \$507,716 to cover equipment of a current replacement value of \$37,154,067, a ratio of annual maintenance costs to current replacement value of 1.37%.

During the reporting period only two (2) contracts were due for renewal of annual maintenance. The annual maintenance charge for Cabot Shops, Inc., ORD-595 was reduced by \$11,202 from \$97,860 to \$86,658. In addition reductions in maintenance cost was obtained on four (4) contracts wherein the BPU was in process of disposal due to change in scope of the work. The aggregate of these reductions is \$5,382.74.

The district will continue the close surveillance of annual maintenance costs in the forthcoming six (6) months period.

PART 3

DICKSON GUN PLANT

a. General.

Operations of the U. S. Army Ordnance Gun Plant, Dickson, under Contract DA-30-114-ORD-811 with Hughes Gun Company continued to be divided into two separate activities, namely, the layaway and maintenance of production equipment, grounds and buildings, and the research and development of vacuum degassing.

b. Layaway-Production Equipment.

The majority of production equipment continues to be installed in hutments and its maintenance has been entirely satisfactory. The hutments have maintained a tight seal and an average of 35% humidity has been maintained. A visual inspection conducted by PEQUO key inspection during the period 14-24 January 1958 revealed a few minor discrepancies which were easily corrected. As a result of the PEQUO findings, the operating contractor further tightened its preventive inspection procedures whereby each machine tool will receive a visual inspection each month, particularly to ascertain if preservatives are holding up in critical areas.

c. Grounds and Buildings.

The maintenance of grounds and buildings still accounts for the major portion of the expense of operation. During this period the following actions were taken:

(1) Two large water leaks in the 6" underground water lines were repaired. The leaks were caused by electrolysis and the type of caulking used when the lines were laid.

(2) The warehouse roof was waterproofed with a combination of asbestos, tar and aluminum.

(3) Fire Hose Houses and four inside offices were painted.

(4) As of 1 June 1958, the building maintenance painting program was commenced. As of the end of this period, three administrative offices, rest rooms and hallways have been completed.

d. Physical Inventory of Layaway Property

The complete physical inventory of all classes of property which was started in November 1957 has been vigorously pushed and at the end of this period, progress made indicates that the inventory will be completed on or before 31 October 1958 as scheduled.

e. Research and Development

During January 1958, the installation of the new vertical casting machine was completed. One 3,164 pound partial tube was poured 29 January 1958 and the results were found to be satisfactory; however, a number of adjustments to various instruments had to be made. Also, the mold was deliberately tested for extreme run out in case of thermal warpage. After first casting an additional 1½ inch water line was added to aid in cooling tube faster. It was also found that ladle stopper valve rod did not work smoothly by manual operation due to size and weight. As a result, a hydraulic power lift was installed.

Three Gun Tubes were poured during February 1958 building up the sizes and weights to a maximum weight of 5,640 pounds. This was done to detect any defects in test equipment at various speeds and weights on the bearings of the new casting machine. The quality of steel throughout the tube is excellent. Metal is rough on the surface; however, difficulty is being experienced in metal tears on the outside wall. It is believed there was not enough movement to the steel casting in moving downward, leaving space between the mold and casting to cause the tear or crack. As the metal solidifies it shrinks away from the mold walls and drops downward, possibly because the end plug was not dropping down fast enough to allow the casting to fit tight in the mold. To offset this, a transducer system which can measure the movement of steel in the mold as close as 1/32 of an inch has been developed. A spring load bottom closure assembly to promote quicker movement of the metal as it solidifies is being designed.

During the month of March, nine 90MM tubes were cast, six of which were full charge casting. Three of the nine castings were a part of the series of partial castings being poured to determine the major of four influencing factors causing hot-tears. Due to excessive difficulties encountered with furnace failures this project has not progressed far enough to reach any conclusions. A completely different approach of the function and design of the bottom mold closure assembly has been completed and necessary machine work started. During this period an induction transducer was precision wound around the hydraulic ram cylinder to measure ram position. This unique application of the

induction transducer has proven superior to any measuring device tried during previous experimental casting. The new bottom closure assembly and measuring device should be in use by the middle of April. Physical examinations have been made of all the castings and a record made of all defects, location, et cetera. Tube U-002 was cut into 4' sections, taking $\frac{1}{2}$ " macrodiscs at the breech of each section. Macro examination of these discs showed an excellent macro structure. Indications are that hot-tears are the primary defect to be eliminated in the vertical castings.

The series of partial charge castings indicated that revision of the bottom mold closure assembly was necessary to eliminate the restraint to downward movement of the castings. In the revision of the bottom mold closure the stool plug was manufactured in two sections and the stool plate was eliminated. To assemble this component for pouring, a $\frac{1}{8}$ " cork gasket approximately $\frac{1}{4}$ " larger than the mold ID is placed between the stool plug sections. The entire assembly is thrust upward through the 6" cylindrical section of the mold into the taper. The ram is then lowered until the upper extremity of the stool plug is located at the upper end of the mold cylindrical section. The cork gasket forms approximately a 30 degree angle to the mold wall, preventing the loss of themold sand by expansion or downward movement. A pneumatic bleed-off system was installed at the base of the ram cylinder permitting the observation of any pressure exerted on the ram by the casting. Indications are that this revised component is a definite improvement toward eliminating any restriction to downward

movement of the casting, however, some difficulty is being encountered with the upper stool plug section seizing due to expansion because of its smaller area. Physical examination of several of the castings has been completed and hot-tears are drastically decreased. Some progress was made in exploring hot-tears in the castings. A $1\frac{1}{2}$ " section was cut from Tube U-015 and the hot-tears are being explored by turning the OD. These tears are not visible with approximately 1" of stock remaining; however, further examination may reveal propagation into the finished OD.

During May 1958, the bottom mold closure assembly was theoretically freed from all mechanical restraint to downward movement of the casting. The upper section of the stool plug OD was turned down leaving $\frac{1}{4}$ " shoulder and a (plain on one side) corrugated paper gasket was placed around the plug, crimped $\frac{1}{4}$ " from the top of the stool plug and sealed with waterglass. The poor resistance of the paper to compression provided space for the sand to flow during thermal expansion of the upper stool plug section. Four castings have been made using this revision, with no indications of any restraint to movement remaining.

Brown & Root, Inc., have progressed satisfactorily toward the completion of the procurement phase of their contract for the vacuum degassing installation. Materials and equipment are being delivered with increasing tempo. The fabrication and installation began 9 June, with the construction of the base for the steam ejector boiler. The boiler has been set and integration into the 90MM installation should begin in the near future.

PART 4

ST. LOUIS ORDNANCE STEEL FOUNDRY

a. Rehabilitation

The U. S. District, Kansas City Corps of Engineers has completed approximately 75% of the current real property rehabilitation program which consists of new drainage, new roof, gutters and sky-lights of the main bay, and rehabilitation of the "tank farm". Funds in the amount of \$125,000.00 were made available by U. S. Army Ordnance Tank Automotive Command for rehabilitation of open hearth and heat treating furnaces, but the funds could not be obligated because of the circumstances of a change in ownership of the contractor operated, Scullin Steel Company, as will be explained below.

b. Progress

Operating facilities and office space were relocated and consolidated making possible the permanent layaway of office building Nr. 16. The resultant use of space heaters in lieu of a large gas boiler reduced the monthly heating bill from \$300.00 to \$30.00.

A new electrical power contract resulted in a reduction of the monthly charges for electricity from \$750.00 to \$200.00. This was accomplished by the installation of an alternate single service line to handle night lighting and miscellaneous service work, thus eliminating sundry expensive to operate electrical equipment and feed lines. All materials for the project were obtained without cost from surplus equipment and material.

Two 2,000 ton dual ram presses have been located in Government-owned plants which will obviate the necessity of spending funds for the purchase of a press of this size. In addition, it is planned to bring in 84 pieces of necessary equipment from Pacific Ordnance Steel Foundry and 80 pieces from East Chicago Ordnance Steel Foundry. Funds previously earmarked for the purchase of the press can be used for transportation and preparation for shipment of the Government-owned equipment. Further action cannot be taken at this time because of the change in ownership mentioned above.

Mobilization Planning has been completely reviewed and Revised DD Form 406, Tentative Schedule of Production, have been completed for both the South Plant, St. Louis Ordnance Steel Foundry and the North Plant, Scullin Steel Co. Hull castings have been eliminated from planning for the North Plant.

c. Change of Ownership

During the reporting period, Universal Marion Corporation purchased the entire assets of Scullin Steel Co., with the intention of operating its plant and facilities as a division of Universal Marion Corporation. The District is presently surveying the financial stability and technical know-how of Universal Marion, prior to making the decision, whether or not to recommend Universal Marion as a successor in interest to Scullin Steel Co., on the layaway contract and four research and development contracts presently under administration. The necessary work is being carried on under the aforementioned contracts but funding and payment operations are at a standstill since Scullin Steel no longer as exists as such, and a successor in interest has not yet been approved.

Part 5

Additional emphasis was placed on Disaster planning as follows

This District has selected and has in being a temporary alternate Headquarters site. The site was chosen because it meets all requirements established by Ordnance Corps Policy discussed at the "Continuity of Essential Industrial Operations" course at Fort Gordon, Georgia, plus other requirements established by this District. Some of the requirements fulfilled by the present temporary alternate Headquarters site are

1. Location is "going away" from assumed ground Zero area.
2. Site is located on all weather road in such secluded location that attack or penetration by the enemy is unlikely.
3. Site can be reached by several routes in less than two hours.
4. All utilities are available.

Location of the site is "Confidential".

CHAPTER III
SUPPORT ACTIVITIES

PART 1

LEGAL ACTIVITY

During the report period the Legal Office processed one hundred and seventy seven (177) contract actions resulting from Board of Award approval and one hundred and forty three (143) resulting from memorandum requests on actions not requiring Board of Award approval. These actions were either in the form of definitive contracts or supplemental agreements to an existing contract. Nineteen (19) Change Orders were approved and issued and one hundred and thirty two (132) transferred-in contracts were reviewed for legality and accepted for administration by the District. The total for the above actions is four hundred and seventy one (471) for the reporting period.

PART 2

CHANGES IN OFFICERS/KEY PERSONNEL

During the period, the following officers were assigned to or relieved from duty at the district

Assigned

Major Lamar W. Gresham

Staff Assistant

Captain Jesse . Beale

C I C Dallas Regional Office

Relieved

Major Earl . Campoell

C.I.C Dallas Regional Office

1st Lt. Infield C. Daniels

Adjutant

There were no changes in key civilian personnel during the period.

PART 3

INCENTIVE AARDS

Interest in OPERATION PAYDIRT was sustained during this reporting period, evidenced by the fact that 40 employee contributions and recommendations were received and processed. An estimated first-year savings of \$4,325.00 was realized from the adoption of 12 suggestions for which a total of \$325.00 was awarded to employees.

PART 4

SUPERIOR PERFORMANCE AWARDS

Nine hundred dollars (\$900.00) was awarded to six (6) employees for Sustained Superior Performance. This is to be compared with seven hundred dollars (\$700.00) awarded to four (4) employees in the preceding reporting period.

PART 5

TRAINING

During the reporting period training activities have been held in the following areas:

- a. A two month Work Simplification Program, attended by 25 persons, was started in December 1957 and completed on 27 January 1958.
- b. Weekly meetings are conducted by Operations Division Staff personnel to discuss procurement problems and interpret regulations with Operations Division personnel.
- c. Six District employees are taking advantage of contract training at the two local universities.
- d. Forty eight District employees attended the two weeks course in Contract Price Analysis given at the District Office commencing 7 April 1958 by Professor P. H. Hensel of the University of Toledo.
- e. A two day seminar on the implementation of the Ordnance Quality Assurance Program was conducted at the Soldiers Memorial in St. Louis on 1-2 May 1958 by Inspection Division personnel. The seminar was held to acquaint contractor management and quality control representatives with the details of the program and to resolve administration and technical problems. The seminar was attended by fifty seven contractor representatives.
- f. Selected personnel have attended training programs at the University of Chicago, Rock Island Arsenal, Rossford Ordnance Depot, Fort Lee, Virginia, Fort Gordon, Georgia, Detroit Arsenal, Fort Bliss, Texas, Sandia Base, New Mexico, Fort Leonard Wood, Missouri and Army Ballistic Missile Agency.

PART 6

SMALL BUSINESS ACTIVITIES

St. Louis Ordnance District participated in a Small Business Opportunity Meeting held at East St. Louis, Illinois on 28-29 March 1958, sponsored by the Small Business Administration and the East St. Louis Chamber of Commerce.

The Small Business Specialist of this office and a representative of the Dollar Regional Office of the district attended the Small Business Administration Conference at Corpus Christi, Texas on 4 June 1958. Representatives from all other Departments of Defense attended. Problems of Small Business were discussed.

The dollar volume of Small Business executed and "transferred in" during the reporting period amounted to 24.75% of the total business executed and "transferred in" by this district, that is \$4,753,656 out of 19,208,000. Equally significant is the fact that during the last three (3) months of the reporting period, the district executed more Small Business by dollar value than in the previous three (3) quarters of Fiscal Year 1958.

PART 7

LABOR RELATIONS

Three (3) strikes were reported during the period 1 January - 30 June 1958, two (2) against prime contractors and one (1) against a sub-contractor for a prime contractor in the U. S. Army Ordnance District, Rochester. One (1) strike continuing from the 1 July - 31 December 1957 period was settled. The three (3) strikes reported for this period were of short duration, and Ordnance production was not materially affected. Completed critical items were shipped from the struck subcontractor through action at local level.

There were no known violations of Federal Labor Laws. Three (3) Special Compliance Reviews of contractors compliance with the Nondiscrimination in Employment Program were conducted at the direction of Chief of Ordnance. Two of the surveys were completed during the reporting period with the contractors deemed to be in compliance. The third survey request was received too late for completion during this reporting period.

PART 8

SAFETY AND SECURITY ACTIVITIES

a. Disabling Injuries and First Aid Cases During the period from 1 January 1958 to 30 June 1958, this district experienced no disabling injuries. Records disclose that a total of six (6) first aid cases were reported to the Safety Office. This district ended the fiscal year 1958 with a frequency rate of 1.4 for civilian personnel, which is the objective set up by the Chief of Ordnance (Reporting period has been changed from calendar year to fiscal year). U. S. Army Ordnance Gun Plant, Dickson, reported no disabling injuries or first aid cases during the reporting period, making it an accident-free fiscal year for this installation.

b. Motor Vehicle Accidents There was a motor vehicle accident during the reporting period with a Government car, and driven by a contractor employee of U. S. Army Ordnance Gun Plant, Dickson. Frequency rate for that installation for the reporting period is 71.5

c. Safety Training Safety training was accelerated during the reporting period through the media of monthly safety meetings, safety posters, safety films and the publishing of a monthly safety bulletin.

d. Security Security training was accelerated during the reporting period through the media of security posters, items in the official bulletin and the reading of security directives every six (6) months, as outlined in CRD 7-1.

PART 9

PROGRESS OF QUALITY ASSURANCE PROGRAM

1. Inasmuch as the entire program of Quality Assurance is new to the Ordnance Corps, an extensive training program has been necessary. The Ordnance Tank-Automotive Command was assigned the responsibility for this training and conducted a series of five-day seminars for instruction of district and Arsenal personnel, which was attended by seven (7) district inspection personnel.

2 Utilizing the persons who had completed the training at Detroit, a two-day seminar was held in the District Office on 12-13 March for the indoctrination of forty-five (45) employees. Similar seminars were held in the Dallas Regional Office on 20 and 21 March and in the Denver Inspection Office on 10 and 11 April.

3. On 1 and 2 May 1958, the Inspection Division conducted a seminar on Quality Assurance for contractor's personnel. This was attended by fifty-nine (59) representatives from thirty-six (36) contractors and twenty-two (22) representatives of other services (Navy, Engineers, Air Force, Transportation Corps).

4 By 30 June 1958, implementation of Quality Assurance had been finalized in four (4) plants, covering a total of fifty-seven (57) procurements. Contacts had been made with twenty-one (21) additional contractors with the development of Quality Control Plans and their evaluation in various stages.

5. Although AR 22-57 establishes various types of procurements to which the application of Quality Assurance is not required, this district, after extended study, reached the conclusion that the principles of Quality

Assurance could profitably be used on all procurements. In many of such applications, where there would be no savings in manpower, the advantage gained would be in the greater assurance of the acceptable quality of the materiel being purchased. This concept was placed in force by Inspection Division Letter Q-4 which was distributed to all Inspection Personnel.

6. This District is still unable to implement Quality Assurance at the East Alton Plant of Olin Mathieson Chemical Corporation, since the required revisions to the Small Arms Ammunition Specifications have not been received. This plant, with an Ordnance Staff of twenty, offers the greatest potential savings in manpower through the utilization of Quality Assurance Practices.

7. In summary, it should be noted that most of the first quarter was used to instruct and train District personnel in the principles and practices of Quality Assurance. During the second quarter, an impetus in actual plant application began to build up which will continue to grow in the remainder of the year.

PART 10

INSPECTION INTERCHANGE

Inspection Interchange was conducted in accordance with Section VII of AR 715-20 during this period.

PART 11

DISTRICT OPERATIONS REVIEW TASK TEAM

The purpose of the Task Team is to review all district program activities, evaluate the effectiveness of performance and compliance with regulatory requirements in the accomplishment of these program activities within the mission of the district. A written report over the signature of the Chairman of the Team in the Appraisal Study Format, for each activity reviewed, including findings and recommendations, is submitted to the Commanding Officer for review and action.

The first team was appointed in September 1957 by the Commanding Officer, and the results of its review were of such a salutary nature that another review will be conducted during the late Fall of 1958 to give the district a good look at itself in every phase of its operations.

PART 12

OPERATION BRAINSTORM

The Management Board, consisting of the Executive Officer and Chiefs of Divisions, which was established on 27 September 1957, continues to meet on call of the Commander, generally on a bi-monthly basis. The Board meets as an informal group to "brainstorm" uninhibited ideas, however fantastic seeming at the moment, aimed at enhancing the position of the district in the areas of planning for future operations and current improvement in district operations.

PART 13

CONTRACT FILE FORMAT

The revised type of contract filing developed by the district and established during the last prior reporting period has proven successful because the provided easy access to documents and correspondence has resulted in a great saving in time and accurate contract filing. This filing system for all contracts over \$2,500 consists of a contract Jacket with three tabs (A) "PreContract Award" with documents and correspondence, (B) "Contractual Instruments" with the required supporting documents, and (C) "Contract Administration and Close Out" with supporting documents and correspondence.

During this reporting period, a "File Index" was developed wherein is listed the organizational segments maintaining files other than the official all Records file. The file index is placed in the official file folder and is annotated from time to time with the files established by the organizational segments. These files are retained in the respective "Current Files Area" one (1) year after final payment, after which they are retired to the "Records Holding Area" together with the official file.

PART 14

PROPERTY DISPOSAL

On 1 January 1958 there were 567 line items on hand in the Property Disposal Branch. During the period 1 January 1958 through 30 June 1958 a total of 1,037 line items of surplus property were received in the Property Disposal Branch. During the period 1 January 1958 through 30 June 1958, 1,044 line items of property were disposed of by the Property Disposal Branch.

In accomplishing the disposition of 1,044 line items of property, the Property Disposal Branch prepared 28 Board Presentations. The presentations were broken down as follows

- a. 18 Sales Summary Checklists (SLD Form 501)
- b. 10 Abandonments (OO Form 1548)

There were 10 donations accomplished during the period 1 January 1958 through 30 June 1958.

Seven formal sales and 7 negotiated sales were completed during the period 1 January 1958 through 30 June 1958. Instructions were issued on 3 sales by contractors during the period. Thirty-six Un-Numbered Sales Contracts were accomplished.

Figure 5, Page 13, and Figure 6, Page 64, immediately following are recapitulations of Usable and Scrap Property sold during the period 1 January 1958 through 30 June 1958. The percentage of 3.57 for Usable Government Owned Property is attributed to the fact that the majority of the items offered for sale were either specialized or single purpose for which commercial firms have little or no use without extensive conversions.

USABLE PROPERTY (GOWI TEST PROGRAM)

On Hand 1 January 1953 - \$250,541.00

	<u>RECEIVED</u>	<u>ITINERANT</u>	<u>TRANSFERRED TO SCRAP</u>	<u>ABANDONED</u>	<u>ON HAND</u>	<u>SOLD</u>	<u>PROCEEDS</u>
January 1958	15,753	90	17,128	1,543	0	0	0
February 1958	25,037	17,684	0	1	0	122,437	26,019
March 1958	527,013	5,659	8,168	0	683	0	0
April 1958	26,190	19,165	4	2,275	0	0	0
May 1958	86,421	2,457	13,521	3,710	69,766	167,552	6,328
June 1958	46,257	38,252	15,673	155	5,233	305,393	8,921

Acquisition Cost of Usable Property Sold \$595,382.00

Proceeds From Sales of Usable Property \$21,268.00

Percentage of Recovery From Sales of Usable Property 3.57%

On Hand 1 July 1958 - \$113,693.00

USABLE PROPERTY (TERMINATION INVENTORY)

1 January 1958 - 30 June 1958

Acquisition Cost of Usable Property Sold \$2,231.16

Proceeds From Sales of Usable Property \$734.44

Percentage of Recovery From Sales of Usable Property 32.9%

Termination Inventory Abandoned \$33.01

FIGURE 5

SCRAP PROPERTY (COVER 1ST Q 1958)

On Hand 1 January 1958 - \$1,600.00

	<u>RECEIVED</u>	<u>SOLD</u>	<u>PROCEEDS</u>	<u>OTHER</u>
January 1958	17,128	0	0	0
February 1958	0	18,368	727	0
March 1958	8,168	8,064	124	0
April 1958	4	0	0	0
May 1958	13,521	9,915	563	* 360
June 1958	15,633	15,633	204	0

* Turned in to scrap pile at U. S. Army Ordnance Gun Plant, Dickson

Acquisition Cost of Scrap Property Sold \$1,980.00

Proceeds From Sales of Scrap Property \$1,923.00

Percentage of Recovery From Scrap Sales 3.70%

On Hand 1 July 1958 - \$3,714.00

SCRAP PROPERTY (TERMINATION INVENTORY)

1 January 1958 - 30 June 1958

Acquisition Cost of Scrap Property Sold \$3,759.19
Proceeds From Sales of Scrap Property \$41.70
Percentage of Recovery From Sales of Scrap Property 11.1%

FIGURE 6

PART 15

DISTRICT COMMAND MANAGEMENT

The Ordnance District Command Management System's objective of providing all levels of management with timely, reliable and coordinated data and information to permit intelligent planning and control of the entire Ordnance work program came closer to attainment during this period. The issuance of OCTI 100-1-58 and 100-2-58 proved very helpful since they set forth the procedures for preparing and processing activity, installation, weapons system, and supporting schedules for planning, authorizing, reporting and appraising work and resources within the Ordnance Corps. The proper utilization of the Operating Schedules as well as the close due dates set up in these OCTI's, required close teamwork by all operating segments.

During this period, Mr. Antuefel of the Ordnance Management Engineering Training Agency visited St. Louis to analyze our activities and problem areas in the implementation of the entire District Command Management System. His trip proved to be most beneficial and a great assist in preparation of a course to be given at Fort Belvoir on the Ordnance Command Management System. This district is awaiting commencement of this course at CITI on the Command Management System. It will undoubtedly be of great service to top management by giving them a "complete rundown" on the progress that the Command Management System has made since innovation.

As part of the overall District Review and Analysis, the weekly Commander's staff meeting is supplemented with a review by an activity manager (Operating Division or Office Chief). This review is presented so that at least once a month each activity manager (Division or Office

Chief) presents a review of his area of operation. Shortly after the monthly statistics are accumulated, they are posted to charts for command review. Analyzation and explanation of these statistics is presented upon request of the Commanding Officer or his immediate staff by the Comptroller in conjunction with the operating Division or Office Chief concerned.

Quarterly accumulation of all information concerning District Operations is presented in the "Annual Operational Review" of the U. S. Army Ordnance District, St. Louis and presented to District Management for review purposes. A copy of the 30 June 1953 review is attached as Inclosure r 1.

The procedures incorporated in the Command Management System which are programming, budgeting, accounting, performance analysis, manpower allocation and control, are beginning to produce results in that they are meshing with each other and collectively are constituting a single system for managing the work of the district in as simple and effective a manner as possible.

PART 16

PROPERTY ACTIVITY

OCTI 623-2-57 established the Financial Inventory Accounting System to capitalize property under the accountability of the district. This system was put into effect in July 1957 and all changes since that date have been recorded. The OCTI further requires an annual reconciliation of the accounts to their source which is for the most part the stock record cards. The first reconciliation was made as of 31 December 1957 and was completed in January 1958. This reconciliation enabled the adjustment of the ledger balances, where necessary, so that they now reflect the correct balances.

In an Army Audit Agency Report on Dickson Gun Plant, the deficiency was cited that the correct location was not shown on all of the stock record cards. In addition, certain items were missing and could not be located. Because of the cited deficiencies and other factors, a complete inventory of all property at Dickson was started 1 November 1957. As of this date the inventory is about 65% complete and is expected to be completed by the end of October 1958. With the completion of the inventory all of the audit deficiencies will be cleared.

Supplement 13 to Scullin Steel Co. Contract DA-23-072-ORD-909 was written in such a manner so that all property (excluding military property stored at the plant) would be under the responsibility of the contractor. Scullin refused to sign the supplement as written and insisted that a schedule of all property be made. This task was undertaken after considerable delay involving the problem of who was to make the schedule. Since the contractor is maintaining the records and is being paid for doing so, the burden of his request fell upon it. By the time this schedule

was completed and verified a change in corporate structure took place, in that Scullin Steel Co. was absorbed by Univorsal Marion Co. The schedule cannot be incorporated into the contract, even though the necessary work has been completed, until the change in the corporate structure of Scullin Steel Co. has been approved by WCO through tripartite agreement.

A review of the entire Selective Check program has been made. Checks have been scheduled for all contracts and contractors so that each one will be checked at least once a year. The contractors have been grouped by geographical area so that one trip in any area will be made by one person. The overall plan will result in the maximum result at the least cost to the Government.

The Supply Room of the district has been operating on a self-service basis for some time. All items available from the Support Center Self-Service Store are included on the district's open shelf. With the additional items available at the Support Center, additional items have been stocked in the district's self-service supply room. In addition, a review of the outside purchased items was made and the stock record cards consolidated. This resulted in a reduction in the number of cards from 300 to 75.

New office equipment was obtained in the district during the period. Fifteen manual and six electric typewriters were requisitioned to replace outdated machines. A new addressograph was obtained for Finance and Accounting Branch, and a tape recorder was purchased for the general operation use.

Various items of Ordnance display items were declared excess which presented a disposal problem. This problem was circumvented by transferring these items to the ROTC at Washington University. The ROTC is now

using these items for display and training purposes.

The district's move from 1016 Olive Street to the present location presented many problems to the Property Branch. Prior to the move, the various Responsible Property Officers turned in 250 pieces of excess property. 100 pieces were re-issued to other segments and most of the balance was returned to the Support Center. The supply room was disassembled and re-established at the new location in less than one week. The movement of property at the new location has been complicated by the lack of elevators and the fact that the warehouse area is at the opposite end of the plant area.

PART 17

FINANCE AND ACCOUNTING ACTIVITY

1. Bookkeeping Machines

Representatives of Burrough Corporation and National Cash Register Company have been studying district operations and keeping this Branch informed of test operations being performed at various Ordnance installations with a view toward selling the district a bookkeeping machine for the revised accounting procedures.

2. Visit by team from Cincinnati Field Office of OCO

The purpose of this visit was to ascertain if the Finance and Accounting Branch was operating in such a manner and with proper controls so that OCTI 620-5-58 could be implemented in the district without undue difficulty. It was understood that procedures and controls were found to be adequate

3. Conference at Rock Island Arsenal

Mr. Coll, Mr. Schumacher and Mrs. Martindell attended a conference at Rock Island Arsenal in June, which was held by ORDGC-FA to familiarize personnel in the field with the new regulation.

4. Subsequent to this meeting the following actions have been taken in the F&A Branch

a. Conversion procedures for Accounting Records have been implemented.

b. Revised procedures for recording and processing accounting media have been implemented.

c. Request for approval from OCO of a bookkeeping machine was initiated.

d. A planned completion of conversion and operation under the new procedures by 31 July 1958.

e. An internal training program to consist of on-the-job training.

As a result of this change in accounting procedures being implemented at the beginning of the fiscal year, when ordinarily work-load is heavy in the F&A Branch, it is anticipated that much overtime will be incurred to effect the conversion of records

2. Personnel Changes

During the six (6) months ending 30 June 1958 the F&A Branch has witnessed a 50% turnover in personnel, which includes a change in F&A Officers. As a result of this high turnover rate, the effectiveness of this Branch was hindered by delays in filling vacancies and the training of personnel on new jobs. Most of the effectiveness lost was recovered in some instances by the use of overtime or the detailing of some of the functions assigned to the F&A Branch outside the Branch or by supervisory personnel performing some of the detailed duties.

3. Audits & Reviews

Two (2) Audits or Reviews were made of F&A operations during the six (6) months ending 30 June 1958. One was the annual Ordnance I.G. review and the other was the Army Audit annual review.

Nothing significant in the way of exceptions was revealed by either review. Minor exceptions pertaining solely to F&A operations were corrected promptly.

PART 18

BUDGET ACTIVITIES

The district was successful in meeting the requirement that 99.8% of authorized obligations for operating casts be actually obligated as of the end of the fiscal year.

Cost for space per day increased from \$25.82 in March 1958 to \$27.96 in June 1958. This increase of \$2.14 per space per day was concentrated in the non-salary cost area and was primarily attributable to the non-recurring costs incident to the relocation of district headquarters.

The relocation of the district caused a temporary increase in employee turnover, however, it is believed that the condition will stabilize during the first quarter of Fiscal Year 1959.

**INTEGRATED INDUSTRY MISSILE
SYSTEMS TEAM CONCEPT**

U. S. ARMY ORDNANCE DISTRICT, ST. LOUIS

Inclosure 1

SEP 4 1958

CURRENT PROCEDURE

Because of the extreme urgency to develop and have in a ready stage missiles of all types, the Department of Defense weapons system concept of procurement resulted in concentrating the bulk of the productive missile capacity in a handful of huge corporations usually giants of the aircraft or electronic industries. This tended to limit missile system contracting to large companies with diversified capabilities or companies that have integrated various capabilities and talents into their organization by acquisition of numbers of companies. Small companies with specialized knowledge and strong engineering staffs were practically eliminated from competing in the systems contracting area leaving small business only subcontract work for the major industries.

HISTORY

In order to combat this exclusion of small business from the field, except as subcontractors, the implementation of the idea of an Integrated Industry Missile Systems Team became one of the principal activities of the U. S. Army Ordnance District, St. Louis, as a means of obtaining a fair and profitable share of missile work for small business.

Intensive exploration of this idea, including a study of the capabilities of the many small business firms in the fields of the components making up the complete system, made it plain that a large number of small business firms in the District area possessed the skill and resources to manage and direct a group of contractors, either small or large business or a combination of both, in this undertaking. Backed by the realization that every phase of a complete system could be managed, engineered and produced by both large and small contractors in the District area, an extensive campaign was initiated to acquaint contractors of this possibility. Hundreds of contractors, Chambers of Commerce and influential business men were contacted. To those contacted and to those who inquired "How can I get into the Missile Systems Program?", the suggestion was made that they contact other firms possessing complementary capabilities. By forming an industry team as a common venture it provides all the resources, skills, and technical know-how for an undertaking beyond the individual firm but within the reach of a composite group preferably on an area or community basis.

INTEGRATED INDUSTRY MISSILE SYSTEMS TEAM CONCEPT

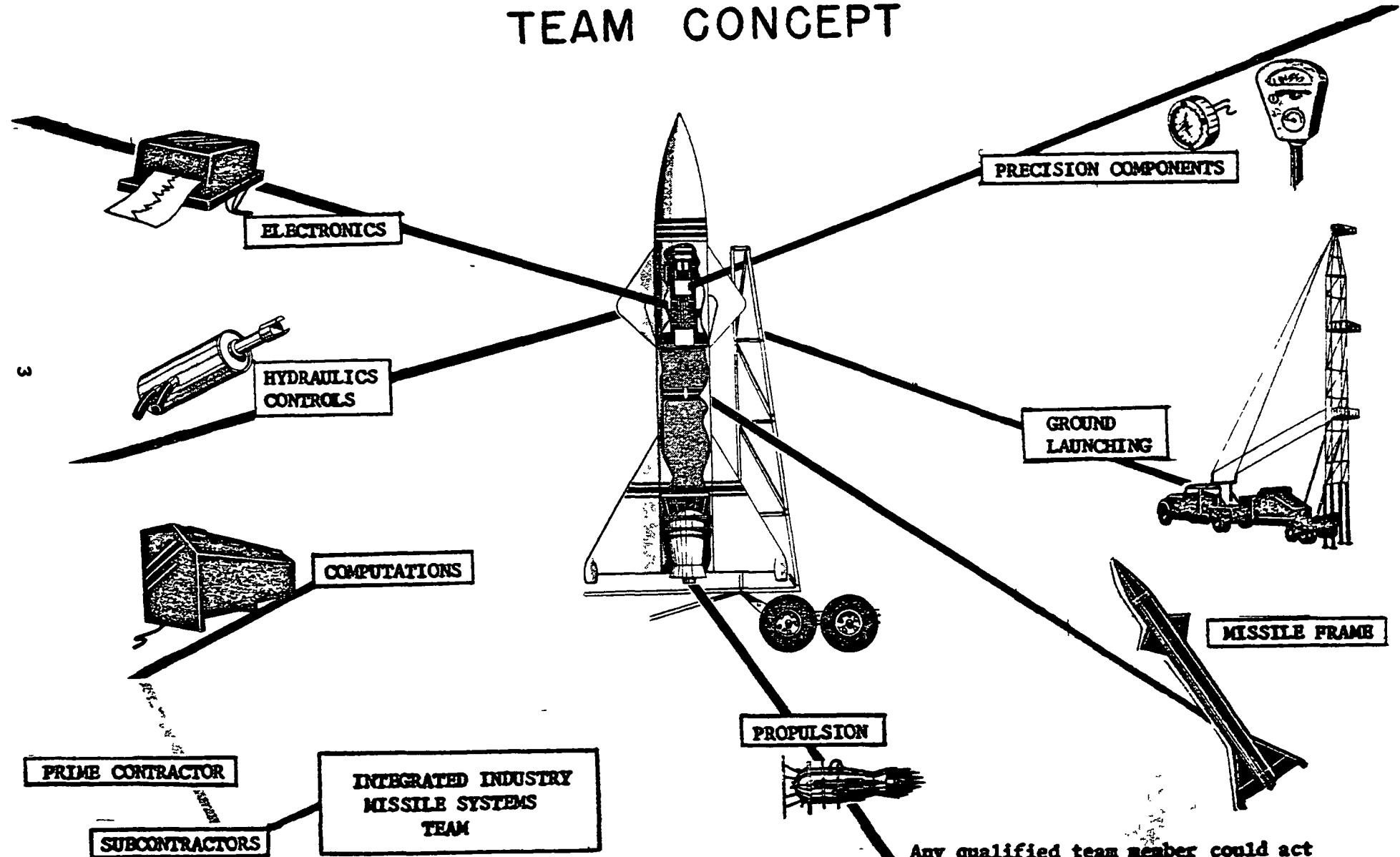


CHART 1

TEAM CONCEPT

This idea had its beginning in September 1957 in our efforts to figure out a way to get the small companies of this District in the missile business.

The team approach, Chart 1, is a good, logical arrangement for the small companies to participate in systems contracting and to add their knowledge and ability to broaden the defense production base. It is a joining together of a number of companies in a cooperative arrangement to form a composite, comprehensive prime contractor and responsible subcontractor structure for the purpose of participating in systems contracting. These companies are entirely separate entities joined in a prearranged subcontractor structure to increase their competence and qualification level to compete with larger companies in systems contracting.

The team concept is based on a prime-subcontractor relationship which is unique in that one member of the team will act as the prime contractor or team manager, and the other members on the team will commit themselves to furnish a certain number of manhours of research, engineering and production together with the necessary facilities; i.e., plant and equipment. They will also furnish key men to sit on committees for research, engineering, production and management to assist the team manager in the overall performance of the contract. They may also commit to the prime contractor or to a lending institution assurance of sufficient backing to enable the prime or lending institution to finance the performance of the contract.

The team will submit bids and proposals in the name of the prime contractor. An award of a contract would most likely be made initially in the sphere of research and development upon a negotiated basis.

The commitments made between the team prime contractor and the team subcontractors will of necessity require the Contracting Officer to ascertain through an appropriate Preaward Survey information of the following character:

- a. That the parties making the commitments have authority to enter into the arrangement.
- b. That the parties are qualified to meet their subcontract obligations, (capacity, financial, know-how).
- c. That the subcontract clearly spells out the obligations of each party (performance, inspection, acceptance) and overall authority.

The team prime contractor may not be small business in all cases. The team concept, however, is based upon maximum participation by small business in awards for complex equipment.

The life of a particular team will be commensurate with the life of the prime-subcontractor relationship. It is anticipated that the life span of this relationship will be directly related to the success of the team in obtaining contract awards for particular projects.

A team member (subcontractor) may perform as a subcontractor to other prime contractors, provided, he can do so without interference with his commitment to the team prime contractor.

The composition of a typical Industry Missile Systems Team is as follows:

The prime contractor acts as the team manager and administers all phases of the contract; correlates the engineering, research and/or production effort; prepares the work flow and planning; and contributes to the engineering and research efforts through its own staff of scientists and engineers or by a committee of engineers furnished by the team members and responsible to the Team Manager for engineering decisions.

The Electronics Member handles electric components both ground and airborne.

The Hydraulic Controls Member handles the hydraulic equipment and controls, and the fabrication and grinding of larger precision sub-assemblies.

The Computation Member furnishes the computing service for accounting, planning, inventory engineering changes and accomplishment of work progress.

The Precision Components, Timing and Fusing Member will handle the small precision components.

The Ground Launching and Support Equipment Member will handle the ground handling equipment.

The Missile Frame Member will handle all phases of the Missile frame.

The Propulsion Member will handle the propulsion units.

The relationship of team members and their responsibilities are shown on Chart 2.

Some of the favorable aspects flowing from the technique of team concept are 1) a broadened production base in the vital fields, 2)

increased competition, and the reduction in price and costs which normally flows therefrom, 3) greater small business potential which is the normal result of participation in government work, 4) new and modern industrial plants in the Mississippi Valley and Midlands areas, 5) a favorable opportunity to implement the policy or theory of dispersion of strategic or critical industry, 6) stable native labor markets.

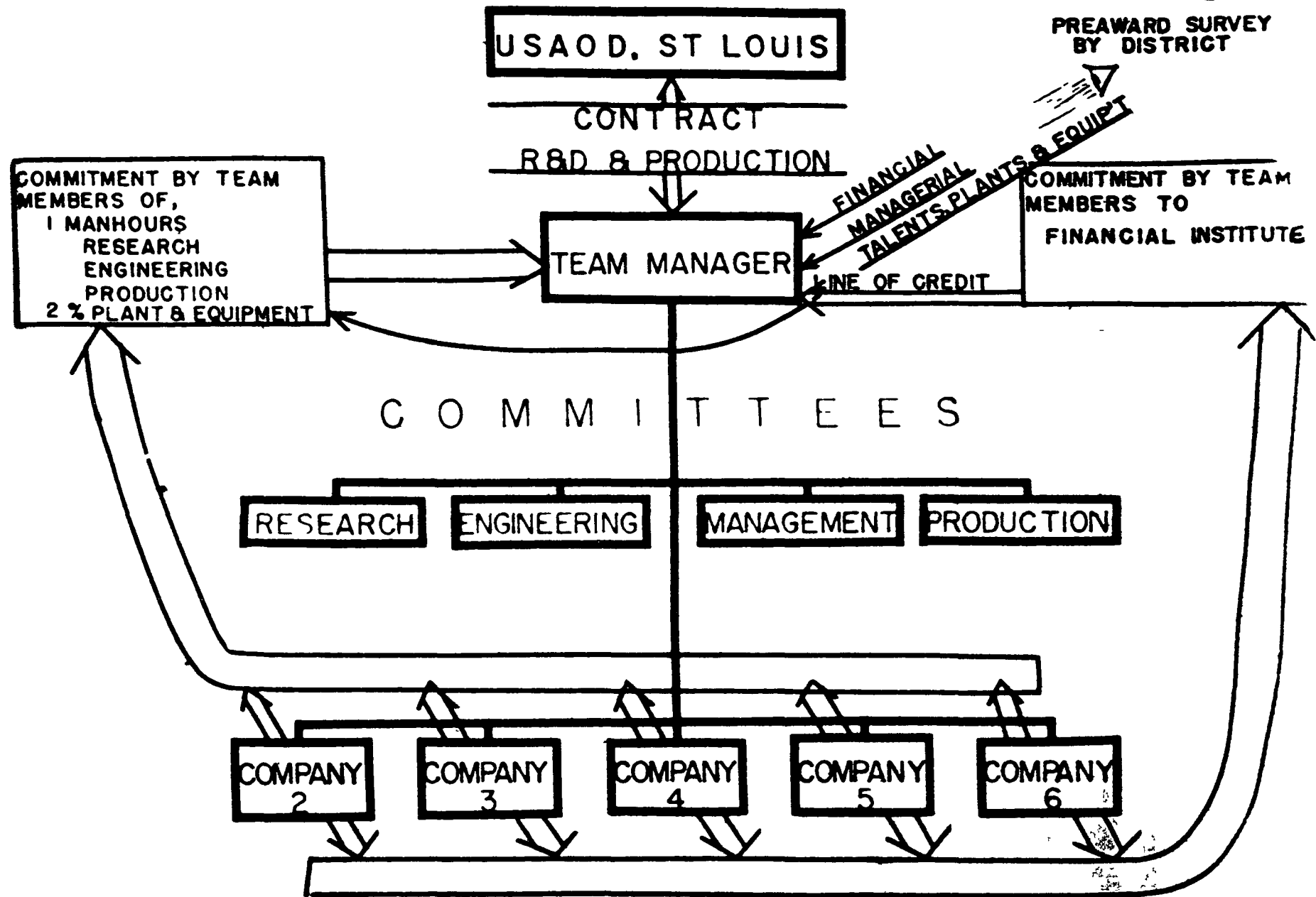


CHART 2

ACTIONS TAKEN IN FORMING A TEAM

A group of companies must decide that they want to and can work as a team.

Having decided to form a team, a team captain or manager (prime contractor) must be chosen. The prime contractor acting as team manager will provide adequate financial capability and will perform work equal to or greater than any other team member. The manager will have responsibility for concept and coordination of the system and responsibility for its proper performance. The manager must be capable of rendering engineering decisions for the whole system either by use of his own engineers or by a committee of engineers furnished by the team members and responsible to the manager for engineering decisions.

Other members of the team (subcontractors) are designated to provide capabilities in the specialized areas so that the team completely covers all areas of the system. This arrangement should be flexible enough so that if one member of the team does not measure up for a particular missile system the team has submitted a proposal on, he can be dropped in favor of one that will give the team favorable consideration.

The team establishes a plan for operation as to how it is managed and functions in handling a systems contract. The team manager is the prime contractor; other members of the team are authorized subcontractors on the contract. No deviation will be permitted without approval of the contracting officer.

ACTIONS TAKEN IN ESTABLISHING COMPETENCE AND QUALIFICATION LEVEL FOR

THE TEAM

The prime contractor or systems manager will prepare and submit a brochure telling of the existence of such a team. This brochure presents the organization (in diagram) and a brief telling how it will work and be managed.

A SUMMARY OF THE TEAM

Combined technical ability on an area basis, naming the company covering each area

Experience

Combined facilities, 1) Grounds - acres, ownership (company, privately leased or government owned); 2) Buildings - Administrative, sq ft; Research & Development, sq ft; Production, sq ft; Total square feet; 3) Ownership - company, privately leased or government owned; 4) Machine tools and other production equipment.

DETAILS ON THE MANAGER

Financial responsibility

Technical ability

Experience

Facilities available, 1) Grounds - acres, ownership (company, privately leased or government owned); 2) Buildings - Administrative, sq ft; Research & Development, sq ft; Production, sq ft; Total square feet; 3) Ownership - company, privately leased or government owned; 4) machine tools and other production equipment.

DETAILS ON EACH SUBCONTRACTOR MEMBER OF THE TEAM

Financial responsibility

Technical ability

Experience

Facilities available, 1) Grounds - acres, ownership (company, privately leased or government owned; 2) Buildings - Administrative, sq ft; Research & Development, sq ft; Production, sq ft; Total square feet; 3) Ownership - company, privately leased or government owned; 4) machine tools and other production equipment.

Copies of letters of commitment to the team from each team member stating that the company is willing to work in the team as a subcontractor and its degree of participation.

The competence and qualification level of the team is first established by the District through preaward survey and a "dry run" presentation of the team qualifications by the team members to selected personnel of the District at a meeting called for that purpose. It is planned to also include presentations to the command/arsenal before proposals are received from the team.

CURRENT STATUS OF CONCEPT AND PROPOSALS RECEIVED

That the planted seed is bearing fruit is evidenced by the proposals before the District at this time, which proposals have been generated by the contractors themselves through the medium of meetings, letters and telephone calls.

Two teams have been completely formed and have presented their qualifications to the District in the manner described in "Actions Taken In Establishing Competence And Qualification Level For The Team". One of these teams has also presented its capabilities and qualifications to a joint meeting of Army Ordnance Missile Command, Army Ballistic Missile Agency, and Army Rocket Guided Missile Agency personnel. Both teams have presented one proposal on nationwide bidding for a missile system and both are presently preparing an unsolicited proposal for a missile system.

Three other teams are actively preparing capability and qualification material for early presentation to the District in the manner described above. Two of these teams have presented proposals on nationwide bidding on a missile system.

Four additional teams are in the early formative stages but have made sufficient headway which will enable them to present unsolicited proposals on a missile system in the near future.

FINANCIAL & OPERATING REVIEW

30 June 1958

U. S. ARMY ORDNANCE DISTRICT, ST. LOUIS

Inclosure 2

TABLE OF CONTENTSPAGE NO.**PREFACE**

Mission Statement	I
Organization Chart	IV

CHAPTER 1 - Financial Review	1.1
Comparative Statement of Operations	1.2
Comparative Statement of Financial Position	1.3
Narrative Comment on Financial Position	1.5
Comparative Statement of Funded Operating Activities	1.11

CHAPTER 2 - Review of Mission Accomplishments & Projections	2.1
<u>Charts:</u>	
Dollar Volume Summary	2.2
Cumulative Dollar Value - Contractual Documents Executed	2.3
Cumulative Dollar Value of Contracts Transferred in For Administration	2.4
Undelivered Dollar Value of Contracts Under Administration	2.5
Numerical Total of Contracts Under Administration	2.6
Cumulative Expenditures for Fiscal Year 1958	2.7
Dollar Value of Material and Supplies Inspected and Accepted	2.8
Cumulative Dollar Value of Requisitions Received	2.9
Quality Assurance Implementation	2.10
Prime Contract Dollars Allocated to Small Business	2.11
Industrial Preparedness	2.12
Production Allocations	2.13
Plant & Storage Site Inspection	2.14
Operation & Maintenance of Facilities	2.15
Accounting Postings & Documents Processed	2.16
Away From Installation Training	2.17
Training Received within Installation	2.18
Skills Training	2.19

CHAPTER 3 - Review of District Operations	3.1
<u>Charts:</u>	
Distribution of the Obligated Operating Cost Dollar	3.2
Comparison of Authorized to Actual Civilian Personnel Spaces	3.3
Deviation of Actual Operating Costs from Programmed Operating Costs	3.5
Cost Per Space Per Day	3.6
Sick Leave	3.7
Annual Leave	3.8
<u>Tabular:</u>	
Summary of Actual District Operating Costs for FY 1957	3.9
Summary of Actual District Operating Costs for FY 1958	3.10
Summary of Actual District Operating Costs for 4th Qtr FY 1958	3.11

TABLE OF CONTENTS (Cont'd)PAGE NO.

CHAPTER 3 - Review of District Operations (Cont'd)

Tabular (Cont'd)

Utilization of Resources (Manpower)	3.12
Utilization of Resources (Dollars)	3.13
Utilization of Resources (Dollars) (Cont'd)	3.14

Narrative:

Management Improvement	3.15
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P R E F A C E

MISSION OF THE U. S. ARMY ORDNANCE DISTRICT, ST. LOUIS

1. The mission of the U. S. Army Ordnance District, St. Louis, is stated in Ordnance Corps Order No. 18-52, dated 7 April 1952, and ORDM 4-3, dated January 1954, and is summarized in the following paragraphs for reference purposes.

2. The U. S. Army Ordnance District, St. Louis has been designated by Department of the Army directives as a Class II activity. The geographical boundaries of this District are established in ORDM 4-3, January 1954.

3. The U. S. Army Ordnance District, St. Louis is under the command and jurisdiction of the Chief of Ordnance. The responsibility for direction and control of all Ordnance district operations is assigned to the Chief, Industrial Division, Office Chief of Ordnance.

4. The U. S. Army Ordnance District, St. Louis is assigned responsibility and delegated authority to perform the following functions in accordance with the stated policies and directives of the Chief of Ordnance.

a. Prepare and implement industrial mobilization plans essential to the procurement of material with particular emphasis on:

- (1) Determining generally, without unduly disturbing industry, the production capabilities and material resources of the district.
- (2) Maintaining up-to-date information concerning the important industrial trends of the district as such trends may affect current or potential production of Ordnance procurement items.

b. As assigned by the commands and arsenals:

- (1) Obtain proposals, negotiate and administer contracts assigned, and administer transferred contracts for:
 - (a) The procurement of material.
 - (b) Ordnance research and development projects.
 - (c) Facilities

MISSION OF THE U. S. ARMY ORDNANCE DISTRICT, ST. LOUIS (Cont)

- (2) Furnish current data relative to the capabilities of a potential supplier.
- c. Perform functions similar to subparagraph (2) above, for the Chief of Ordnance, and for other Ordnance installations, if required.
- d. Furnish inspection services for mission arsenals, commands, other districts, other Ordnance installations, and, in special cases, for other services of the Department of Defense.
- e. Inspect and accept material procured by the District.
- f. Process vouchers for payment for material inspected and accepted.
- g. Train civilian and military personnel assigned to the District or as may be directed by the Chief of Ordnance.
- h. Exercise jurisdiction over Government-owned contractor-operated plants as assigned by the Chief of Ordnance.
- i. In addition, the mission is to:
 - (1) Cooperate with Headquarters, Fifth Army, in rendering assistance to and furnishing facilities for its Ordnance Reserve Officer training responsibilities.
 - (2) Develop plans for the organization and operation of the District, both for peace time and emergency periods.

SUBORDINATE INSTALLATIONS AND ACTIVITIES

U. S. ARMY ORDNANCE GUN PLANT-DICKSON

1. Effective 7 January 1951 the U. S. Army Ordnance Gun Plant-Dickson was redesignated a separate Class II Industrial Installation and returned to active status per General Order 13, Department of Army, dated 28 February 1951. Command responsibility for the U. S. Army Ordnance Gun Plant-Dickson was assigned to the U. S. Army Ordnance District, St. Louis per Ordnance Corps Order No. 14-55, dated 1 June 1955, effective 1 July 1955.

U. S. ARMY ORDNANCE GUN PLANT-DICKSON (Cont)

2. The present mission of the U. S. Army Ordnance Gun Plant-Dickson is standby, except that equipment and machinery being utilized in the Research and Development portion of the current operating contract. All other equipment and machinery is being processed for dehumidified storage.

3. The mobilization assignment of the U. S. Army Ordnance Gun Plant-Dickson is as follows:

a. Production of 40 mm M2; 90mm T139; and 105mm T96E1 Gun Tube Castings.

b. Production of 155 mm T80 and 8" Howitzer T89, 155 mm M2A1 Gun.

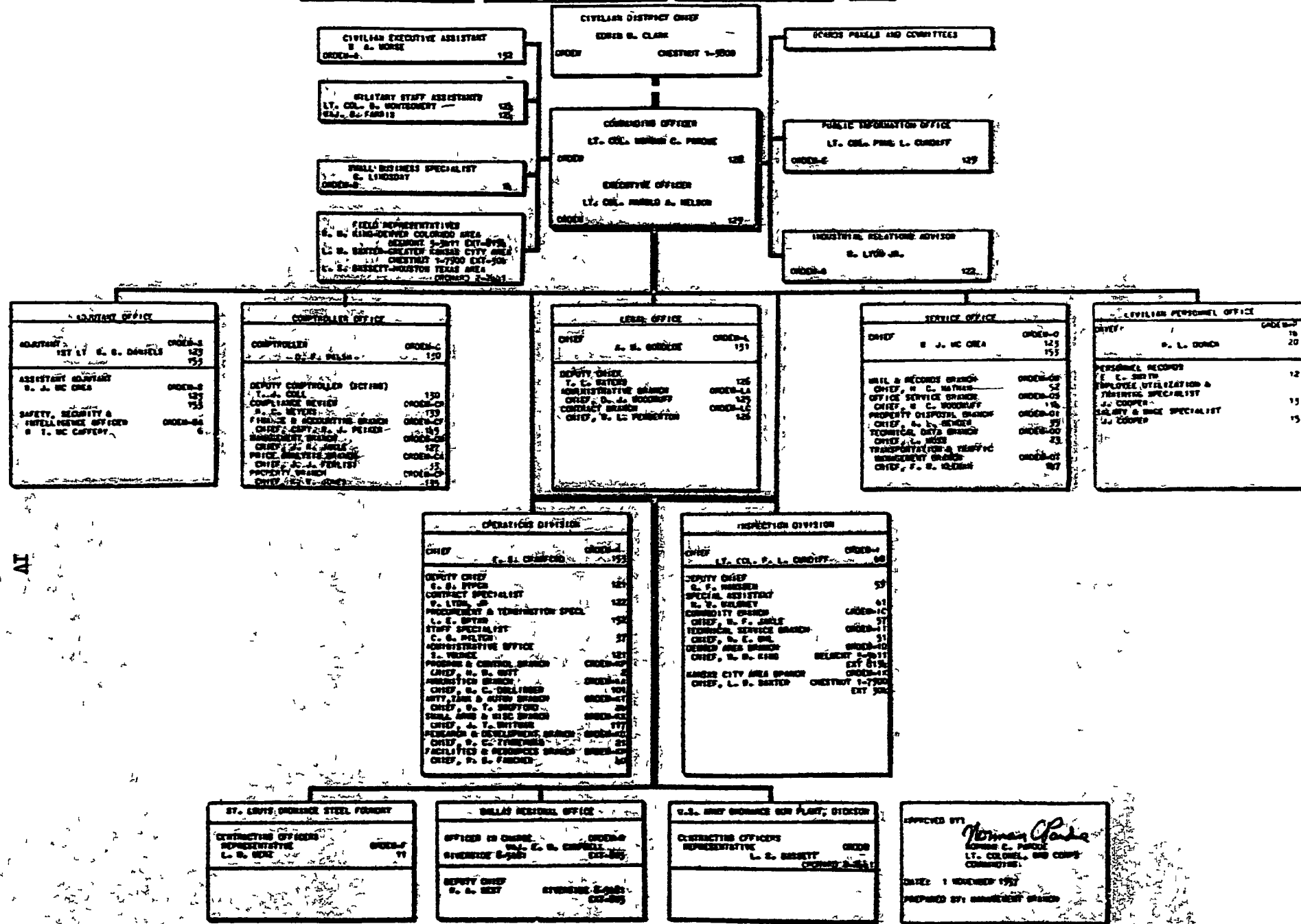
ST. LOUIS ORDNANCE STEEL FOUNDRY

1. Effective 1 March 1955 the Government-owned facility formerly designated as the Scullin Steel Company, St. Louis, Missouri, was redesignated the St. Louis Ordnance Steel Foundry, St. Louis, Missouri, and established as a Class II industrial installation under the jurisdiction of the Chief of Ordnance. (Department of Army General Order 24, dated 25 March 1955.) Command responsibility for the St. Louis Ordnance Steel Foundry was assigned to the U. S. Army Ordnance District, St. Louis per Ordnance Corps Order 14-55, dated 1 June 1955, effective 1 July 1955.

2. The current mission of the St. Louis Ordnance Steel Foundry is standby, and equipment and machinery is being processed for extended storage in place. In addition, available space at the site is being utilized for storage of package lines and other District equipment.

3. The mobilization assignment of the St. Louis Ordnance Steel Foundry is the production of the M48 Tank (long nose hull, rear hull and turrets).

U.S. ARMY ORDNANCE DISTRICT ST. LOUIS



APPROVED BY
Norman Parks
EDWIN B. CLARK
LT. COLONEL, US ARMY
COMMISSARY

DATE: 1 NOVEMBER 1950
PREPARED BY: MANAGEMENT BRANCH

CHAPTER 1
FINANCIAL REVIEW

1.1

COMPARATIVE STATEMENT OF OPERATIONS
AS OF 30 JUNE 1958

	CUMULATIVE THRU MARCH 1958	%	CUMULATIVE THRU JUNE 1958	%	QUARTERLY ACTIVITY
MISSION ACTIVITIES					
FUNDED					
DELIVERIES AND MAIL & SERVICES	\$16,008,587.72		\$18,689,658.02		\$3,689,070.30
TRANSPORTATION (1ST DESTINATION)	588,223.42		746,120.59		157,897.17
TOTAL FUNDED MISSION ACTIVITIES	\$16,594,811.14	44.5	\$19,435,788.61	38.9	\$3,846,967.47
UNFUNDED					
DELIVERIES INSPECTION REQUISITIONS	\$17,720,090.00	50.6	\$28,614,000.00	57.2	\$10,894,000.00
TOTAL MISSION ACTIVITIES	\$33,314,811.14	95.1	\$48,049,788.61	96.0	\$14,734,967.47
PROPERTY ACTIVITIES					
ACQUISITION PROPERTY WITH MISSION FUNDS	\$ 89,683.55		\$ 201,260.70		\$ 111,577.15
PROPERTY TRANSFERRED FROM OTHER AGENCIES	327,427.85		868,298.72		540,868.87
LESS DISPOSITION OF PROPERTY					
PROPERTY TRANSFERRED TO OTHER AGENCIES	577,800.89		1,628,078.56		1,050,478.67
DONATED PROPERTY	4,700.00		25,089.55		20,389.55
COST OF PROPERTY SOLD	366,073.61		666,906.65		200,833.04
MISC PROPERTY CHARGED OFF	38,480.55		35,800.41		339.86
TOTAL PROPERTY ACTIVITIES	\$ 588,743.85	1.7	\$ 1,186,318.75	2.4	\$ 589,575.10
COLLECTION ACTIVITIES					
RENTAL GOVT OWNED PROPERTY	\$ 488,165.75		\$ 579,840.11		\$ 131,674.36
SALE OF SCRAP	12,985.75		12,985.75		-0-
SALE OF EQUIPMENT	24,486.00		24,486.00		-0-
SALE OF UNCLASSIFIED PROPERTY	50,291.21		88,106.84		37,815.63
RECOVERIES, PROPERTY LOST OR DAMAGED	9,033.04		9,113.04		80.00
RECOVERIES, JURY SERVICE	30.00		54.00		24.00
TOTAL COLLECTION ACTIVITIES	\$ 544,971.75	1.6	\$ 714,565.74	1.4	\$ 169,593.99
OPERATING ACTIVITIES					
FUNDED					
SALARY EXPENSE	\$ 1,402,001.82		\$ 1,940,292.08		\$ 538,290.46
MATERIAL EXPENSE	13,014.14		24,347.62		11,333.48
TRAVEL & PER DIEM	59,837.81		82,223.24		22,385.63
GOVT CONTR PENSION & INSURANCE	92,807.85		128,822.37		35,814.72
TELEPHONE	26,814.58		42,036.48		15,221.90
OCCUPANCY EXPENSE	-0-		14,133.35		14,133.35
TOTAL FUNDED OPERATING ACTIVITIES	\$ 1,594,475.80	4.5	\$ 2,231,655.14	4.4	\$ 637,170.54
UNFUNDED					
RENT	\$ 56,999.99		\$ 78,000.00		\$ 19,000.01
UTILITIES (ELECTRIC)	4,486.44		5,390.00		903.56
GUARD SERVICE	12,752.52		15,455.00		2,702.48
CUSTODIAL SERVICE	34,900.80		51,187.74		16,286.94
OFFICE SUPPLIES	2,927.58		4,578.98		1,649.41
MAINTENANCE SERVICE	4,304.99		5,740.00		1,435.01
MOTOR POOL	11,272.52		15,030.00		3,757.48
MILITARY PAY	34,040.76		43,995.72		9,954.96
TOTAL UNFUNDED OPERATING ACTIVITIES	\$ 181,685.80	.5	\$ 217,375.45	.4	\$ 55,689.85
TOTAL OPERATING RESULTS	\$35,029,200.44	100.00	\$50,027,058.19	100.00	\$14,997,855.75

COMPARATIVE STATEMENT AS OF 30

	31 MARCH 1958	30 JUNE 1958
ASSETS		
CASH & AVAILABLE FUNDS		
DISBURSING OFFICER'S CASH		
CASHIER	\$ 1,512.31	\$ 1,840.05
IMPREST FUND	200.00	200.00
FUNDS WITH TREASURY		
MISSION FUNDS	15,224,274.45	23,393,650.29
OPERATING FUNDS	174,543.80	13,931.82
FUNDS IN ESCROW	67,140.11	97,053.02
TOTAL CASH & AVAILABLE FUNDS	\$ 15,467,870.67	\$ 23,508,875.18
RECEIVABLES		
ACCOUNTS RECEIVABLE	\$ 90,882.70	\$ 88,414.41
CLAIMS RECEIVABLE	129.70	3,556.11
TOTAL RECEIVABLES	\$ 91,022.40	\$ 91,970.52
ADVANCES		
ADVANCES TO EMPLOYEES	\$ 825.00	\$ 549.21
ADVANCES TO CONTRACTORS	-0-	-0-
TOTAL ADVANCES	\$ 825.00	\$ 549.21
INVENTORIES		
OPERATING STOCKS	\$ 3,000.00	\$ 3,000.00
GOVT FURNISHED SUPPLIES	270,489.28	64,798.60
PROGRESS PAYMENTS	-0-	-0-
TOTAL INVENTORIES	\$ 273,489.28	\$ 67,798.60
UNFUNDED ASSETS		
OPERATING ACTIVITIES		
GENERAL SERVICES ADMINISTRATION	\$ 45,441.53	\$ -0-
FIFTH ARMY SUPPORT CENTER	6,084.91	-0-
MILITARY PAY	15,051.24	-0-
MISSION ACTIVITIES		
UNDELIVERED INSPECTION REQUISITIONS	10,756,000.00	15,508,000.00
TOTAL UNFUNDED ASSETS	\$ 10,822,557.88	\$ 15,508,000.00
FIXED ASSETS		
LAND	\$ 296,889.00	\$ 296,889.00
IMPROVEMENT TO LAND	1,060,149.00	1,060,149.00
BUILDING & STRUCTURE	11,411,030.44	11,427,372.35
UTILITY & SANITARY SYSTEMS	2,687,180.53	2,668,804.53
PRODUCTION EQUIPMENT	51,706,286.75	51,365,179.09
OTHER CAPITAL EQUIPMENT	3,106,463.44	3,057,113.01
TOTAL FIXED ASSETS	\$ 70,267,999.16	\$ 69,875,506.98
TOTAL ASSETS	\$ 96,923,544.19	\$ 109,050,498.49

OF FINANCIAL POSITION
JUNE 1958

	31 MARCH 1958	30 JUNE 1958
LIABILITIES & CAPITALIZATION		
PAYABLES		
ACCOUNTS PAYABLE	\$ 503,182.04	\$ 312,889.82
TRANSPORTATION PAYABLE	107,848.07	121,792.31
CLAIMS PAYABLE	-0-	-0-
TOTAL PAYABLES	\$ 611,030.11	\$ 434,682.13
ACCRUED LIABILITIES		
ACCRUED PAYROLL	\$ 77,140.11	\$ 49,164.10
ACCRUED TAXES & PAYABLES DUE TREASURER OF U.S.	87,140.11	97,053.02
OTHER ACCRUED LIABILITIES	27,577.87	30,028.51
TOTAL ACCRUED LIABILITIES	\$ 172,286.41	\$ 176,245.63
INVESTMENT OF U.S. GOVERNMENT PROPERTY		
CAPITALIZATION	\$71,128,212.09	\$ 71,129,622.83
OPERATING RESULT	588,743.85	1,186,318.75
CURRENT CAPITALIZATION	\$70,541,468.44	\$ 69,943,303.58
APPROPRIATED FUNDS		
MISSION FUNDS		
CAPITALIZATION	\$30,210,612.79	\$ 42,397,452.03
OPERATING RESULT	15,594,811.14	19,435,778.81
CURRENT CAPITALIZATION	\$14,615,801.65	\$ 22,961,673.42
OPERATING FUNDS		
CAPITALIZATION	\$ 1,883,873.10	\$ 2,166,394.36
OPERATING RESULT	1,594,475.60	2,231,655.14
CURRENT CAPITALIZATION	\$ 69,397.50	\$ (65,260.79) Dr *
UNFUNDED CAPITALIZATION		
MISSION ACTIVITIES (INSPECTION REQUISITION)		
CAPITALIZATION	\$28,476,000.00	\$ 44,122,000.00
OPERATING RESULT	17,720,000.00	28,614,000.00
CURRENT CAPITALIZATION	\$10,756,000.00	\$ 15,508,000.00
OPERATING ACTIVITIES		
CAPITALIZATION	\$ 228,243.28	\$ 217,375.45
OPERATING RESULT	161,885.60	217,375.45
CURRENT CAPITALIZATION	\$ 88,557.68	\$ -0-
COLLECTION REVENUES		
CAPITALIZATION	\$ 835,994.15	\$ 806,538.26
OPERATING RESULT	544,971.73	714,585.74
CURRENT CAPITALIZATION	\$ 91,022.40	\$ 91,970.52
TOTAL LIABILITIES & CAPITALIZATION	\$98,823,544.19	\$ 109,050,498.49

*THE DEBIT BALANCE IS THE RESULT OF RETRO-ACTIVE PAY BEING AUTHORIZED FOR
PAYMENT WITHOUT ALLOTTED FUNDS BEING AVAILABLE FROM O C O.

ASSETS**Cash & Available Funds****Disbursing Officer Cash**

Cashier - Cash in the Finance and Accounting Branch is available for the payment in cash of travel vouchers and military pay. A total of \$10,132.51 in cash payments was made in the three month period 31 March 1958 to 30 June 1958.

Imprest Fund - Cash available to the Imprest Fund Cashier to pay for local operating supplies under \$100.00 not available from the support center. Expenditures in the amount of \$155.49 were made from the imprest fund during the period of 31 March 1958 thru 30 June 1958.

Funds with Treasury

Mission Funds - Are those allotted funds not yet expended and representing money available for the payment of contracts and purchase orders representing procurement of Ordnance material and services. As noted on the Statement, an increase in available Mission Funds has occurred in the three month period ending 30 June 1958, which is an indication that contract replacements have exceeded contract liquidations.

Operating Funds - Those allotted funds available to the District not yet expended that are available for civilian salaries, temporary duty travel costs, supplies purchased with appropriated funds, and overhead charges such as telephone bills, day guard services and others, as well as maintenance of layaway lines. The balance of \$13,931.82 as of 30 June 1958 is the amount allotted for the period thru the 4th Quarter that was not expended.

Funds in Escrow - Includes monies that are normally held in suspense until disbursement is made of the money, which is usually quarterly. Included are U. S. Bond deductions, income tax deductions from employees.

Accounts Receivable - Those monies owed to the U. S. Government through lease agreements for which the contractor pays a monthly rental which is payable as of the end of a month but not due until a later date by the terms of the agreement.

Claims Receivable - Those monies payable to the U. S. Government as a result of downward repricings, damaged or incomplete deliveries or any overpayment which cannot be offset against amounts due the contractor and for which demand is made for payment.

Advances to Employees - This account represents funds advanced employees preparatory to a temporary duty status. The advance is liquidated when the traveler completes his travel and submits his travel voucher for payment.

Advances to Contractors - This account shows funds advanced to contractors in order to finance the contract when financing the contract is in the best interests of the Government. Although not directly involved in the

administration of the Advance Fund at the University of Denver, we utilize the money on deposit as an advance payment for all R&D Contracts. The fund is administered by the Signal Corps.

Inventories

Operating Stocks - These operating supplies used administratively to carry out the mission of the district are either purchased with appropriated funds or issued by the "Super Market" at the St. Louis Area Support Center. This is a fixed inventory amount to be adjusted at the end of fiscal year.

Government Furnished Supplies - Those supplies furnished the contractor that would normally become a part of the end item delivered by the contractor. This amount presently represents ammunition cans furnished Olin Mathieson.

Progress Payments - This account represents unrecouped payments made to contractors in advance of receipt of end items and is in the form of a progress payment. This account was inactive in the fourth quarter.

Unfunded Assets

Unfunded Operating Activities

General Services - This account shows services that are to be furnished this installation by GSA without reimbursement for the remainder of the fiscal year. The account includes the unfunded portion of guard service, electricity used, rental of the building at 1016 Olive Street, and custodial services.

Fifth Army Support Center - This account represents the unfunded operating supplies, clerical machine maintenance and motor pool services furnished by St. Louis Support Center.

Military Pay - The cost of military pay that is paid through open allotment and not charged to this installation's operating funds.

Unfunded Mission Activities

Undelivered Inspection Requisitions - This account represents the residual value of Inspection Requisitions received by the district from other agencies in FY 1958 on which deliveries have not been completed to date. As noted on the statement a substantial increase in this activity has occurred in the last three months.

Fixed Assets

Land - An account to reflect the investment in land owned, including outleased, exclusive of improvements.

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Account 1701 Land
30 June 1958

<u>Contractor</u>	<u>Dollar Amount</u>
Denver Research Institute	\$ 13,600.00
Hughes Gun Company (Dickson)	242,227.00
Scullin Steel	11,062.00
Total 1701	\$ 256,889.00

Improvements to Land - To show the investment in improvements such as driveways, sidewalks, roads, and the cost of altering the land to adapt it to a certain need.

Account 1702 Improvements to Land
30 June 1958

<u>Contractor</u>	<u>Dollar Amount</u>
Hughes Gun Company (Dickson)	\$ 655,072.00
Scullin Steel	405,077.00
Total	\$ 1,060,149.00

Buildings & Structures - To record the cost of buildings, portable buildings, semi-permanent buildings, tunnels and railroad trackage.

Account 1715 Buildings & Structures
30 June 1958

<u>Contractor</u>	<u>Dollar Amount</u>
Hughes Gun Company	\$ 5,267,270.00
Scullin Steel	3,639,570.00
Brown & Root	479,597.10
Cabot Shops	38,031.20
Cameron Iron	743,784.38
General Steel Castings	686,108.00
Others	573,011.67
Total	\$ 11,427,372.35

Utility Distribution & Sanitary Systems - To reflect the cost of utility distribution and sanitary systems such as electrical distribution lines, telephone and telegraph systems, gas and water mains, sanitary and storm sewer systems.

Account 1721 Distribution Systems
30 June 1958

<u>Contractor</u>	<u>Dollar Amount</u>
Hughes Gun Company	\$ 222,442.00
Scullin Steel	751,153.00
Brown & Root	936,038.90
Cameron Iron	565,766.82
New York Ship Building	119,345.35
Other	74,058.46
Total	\$ 2,668,804.53

Production Equipment - To show the cost of Government-owned equipment and machinery valued at \$500.00 or over. This account will include equipment in use, stored in place as standby, or placed in proximity storage.

Account 1731 Production Equipment
30 June 1958

<u>Contractor</u>	<u>Dollar Amount</u>
Cameron Iron Works	\$ 9,388,480.17
Hughes Gun Company	9,841,586.93
Scullin Steel	5,195,601.17
Brown & Root	7,369,061.37
Cabot Shops	1,622,787.40
General Steel Castings	5,438,855.44
New York Shipbuilding	2,340,795.91
Hardwicke-Etter	2,694,036.92
All Others	7,108,476.73
Total Industrial	\$ 50,999,682.01
Military Accounts	365,497.05
Total 1731	\$ 51,365,179.06

Other Capital Equipment - This account will include production equipment valued from \$100.00 to \$500.00 and/or all non-production equipment valued over \$100.00.

Account 1747 Other Capital Equipment
30 June 1958

<u>Contractor</u>	<u>Dollar Amount</u>
Hughes Gun Company	\$ 1,513,583.51
Scullin Steel	236,612.69
Brown & Root	602,995.65
Others	519,811.93
Total Industrial	\$ 2,873,003.81
Military Accounts	184,109.20
Total 1747	\$ 3,057,113.01

LIABILITIES & CAPITALIZATION

Payables

Accounts Payable - The value of this account represents Ordnance material and services accepted by Ordnance but not paid by the district.

Over 60 days - \$81,436.36

Over 30 days - \$11,058.68

Transportation Payable - Outstanding Government bills of lading that have not been paid by Finance Center, Indianapolis, and will represent transportation charges for contracts administered by this installation. These bills are not paid directly by this office; however, the payments made by the Finance Center are reported to us for liquidation of the Transportation Payable.

Claims Payable - Those claims resulting from contractual action and are in form of contract appeals.

Accrued Liabilities

Accrued Payroll - The amount due employees from the last paid payroll to the end of the accounting period being reported. This amount will not include employees life insurance charges, suggestion awards and Government contribution to FICA.

Accrued Taxes - Those amounts that have been deducted for bond purchases and income tax deductions that have not yet been paid to the Internal Revenue Service and the Federal Reserve Bank. Activity for the period is reflected in previous page under Escrow Accounts.

Other Accrued Liabilities - This account will reflect accrued liabilities of outstanding transportation requests not yet reported to us as being paid, travel expenses not yet paid, Government contribution to FICA, and employees life insurance.

Investment of United States

Government Property - This account reflects all property capitalization as of the beginning of the period and adjusted to the current capitalization by the property activities of the period as reflected on the Comparative Statement of Operations.

Appropriated Funds

Mission Funds - This account reflects the total value of Mission allotted funds received in the FY 1958 plus the balance carried forward from FY 1957 as adjusted to current capitalization as reflected on the Comparative Statement of Operations. Mission Activity capitalization has been increased in the fourth quarter of the fiscal year as a result of an excess of contract replacements over contract liquidations.

Operating Funds - Included in this account is the total of funds allotted to date for operating activities as adjusted to current capitalization as reflected on the Comparative Statement of Operations. The debit balance reflected in current capitalization is the result of retro-active pay being authorized for payment without Allotted Funds being available from OCO.

Unfunded Capitalization

Mission Activities - This account represents the total value of inspection requisitions received for FY 1958 to date plus the balance brought forward from FY 1957 as adjusted to current capitalization on the Comparative Statement of Operations.

Operating Activities - The value of this account represents the amount of expenditures projected for various unfunded activities by GSA, 5th Army and Military Spaces as adjusted to current capitalization on the Comparative Statement of Operations.

Collection Revenues - This account reflects the total value of accounts receivable plus collection to date for FY 1958.

Operating Statement

Mission Activities - Funded Mission Activities are Deliveries of Ordnance Materiel and Services which is the value of Ordnance materiel delivered and accepted to date and services performed for Ordnance and accepted and the freight costs on funded and unfunded mission activities. It is noted that as a result of the increase in new contracts received in the fourth quarter of FY 1958 the value of deliveries will increase in FY 1959.

Unfunded - Unfunded Mission Activities includes deliveries on Inspection Requisitions. Activity in this area during the fourth quarter increased over the activity for the previous quarter.

Property Activities - The value of property has shown a steady decline, mainly as a result of transferring property to other agencies and the sale of excess property.

Collection Activities - Collection activities have remained normal with the exception of an increase in rental income as a result of a new lease agreement with Cameron Iron Works.

Operating Activities - See Schedule I and II attached for analysis of Funded Operating Costs Activities.

Unfunded - Unfunded Operating Activities consists of various personal and maintenance services which are performed by other agencies on a non-reimbursable basis. Some of the values expressed are estimated as a result of incomplete data being available from the agencies supplying the service. These costs were not distributed on either Schedule I or Schedule II.

COMPARATIVE STATEMENT
AS OF

DESCRIPTION	31 MARCH 1958	%	30 JUNE 1958	%	ACTIVITY 4/1/58 THRU 6/30/58
DIRECT COSTS					
PROCUREMENT ACTIVITIES					
2210-1100 CONTRACT EXECUTION & ADMINISTRATION					
OPERATIONS DIVISION	353,090.82	.222	494,269.45	.228	140,993.62
INSPECTION DIVISION	15,873.71	.010	26,818.91	.012	9,745.20
LEGAL OFFICE	53,713.10	.034	71,372.10	.033	17,659.00
COMPTROLLER OFFICE (PRICE ANALYSIS & PROPERTY)	91,006.95	.057	120,637.08	.056	29,631.13
SERVICE OFFICE (PROPERTY DISPOSAL)	16,277.31	.010	21,838.93	.010	5,561.02
DALLAS REGIONAL OFFICE	35,653.02	.023	45,422.28	.021	9,769.26
TOTAL	585,613.91	.358	779,158.15	.360	213,359.23
2210-1200 ACCEPTANCE INSPECTION					
INSPECTION DIVISION	368,973.02	.232	503,381.93	.233	134,408.91
DALLAS REGIONAL OFFICE	89,380.30	.052	105,966.89	.049	22,466.99
TOTAL	458,353.32	.284	609,348.82	.282	156,875.90
2210-1000 PROCUREMENT ACTIVITIES TOTAL	1,017,967.23	.640	1,388,406.77	.642	370,234.63
INDUSTRIAL PREPAREDNESS ACTIVITIES					
2210-4200 INVENTORY OF PRODUCTION EQUIPMENT					
INSPECTION DIVISION	430.85	-0-	856.22	-0-	425.37
COMPTROLLER OFFICE	2,850.80	.002	5,134.81	.002	2,484.21
DALLAS REGIONAL OFFICE	1,125.87	.001	7,998.95	.004	6,873.08
TOTAL	4,207.52	.003	13,989.98	.006	9,782.66
2210-4300 MAINTENANCE OF PRODUCTION DATA					
TOTAL	45.85	-0-	88.57	-0-	42.82
2210-4400 PRODUCTION ALLOCATIONS					
OPERATIONS DIVISION	66,996.39	.041	73,731.28	.034	7,334.89
INSPECTION DIVISION	1,561.46	.001	2,034.72	.001	453.28
DALLAS REGIONAL OFFICE	5,803.08	.004	6,676.88	.003	873.80
TOTAL	73,760.93	.046	82,442.88	.038	8,661.95
2210-4500 INSPECTION METHODS & PROCEDURES					
INSPECTION DIVISION	27,588.85	.017	28,917.55	.013	1,350.70
DALLAS REGIONAL OFFICE	5,561.71	.004	5,825.45	.003	363.74
TOTAL	33,128.56	.021	34,743.00	.016	1,714.44
2210-4800 PLANTS & STORAGE SITE INSPECTION					
INSPECTION DIVISION	16,340.94	.010	22,265.58	.010	5,924.62
OPERATIONS DIVISION	3,775.26	.002	6,055.37	.004	4,280.11
DALLAS REGIONAL OFFICE	13,163.82	.008	14,416.57	.007	1,252.85
TOTAL	33,280.12	.021	44,737.50	.021	11,457.58
2210-4900 PROJECT PLANNING & SUPERVISION					
OPERATIONS DIVISION	2,230.69	.001	3,514.90	.002	1,284.21
TOTAL	2,230.69	.001	3,514.90	.002	1,284.21
2210-4000 INDUSTRIAL PREPAREDNESS TOTAL	146,873.57	.092	179,616.83	.083	32,943.26
TOTAL DIRECT COSTS	1,164,840.80	.732	2,231,655.14	.725	403,197.79

OF FUNDED OPERATING ACTIVITIES
30 JUNE 1958

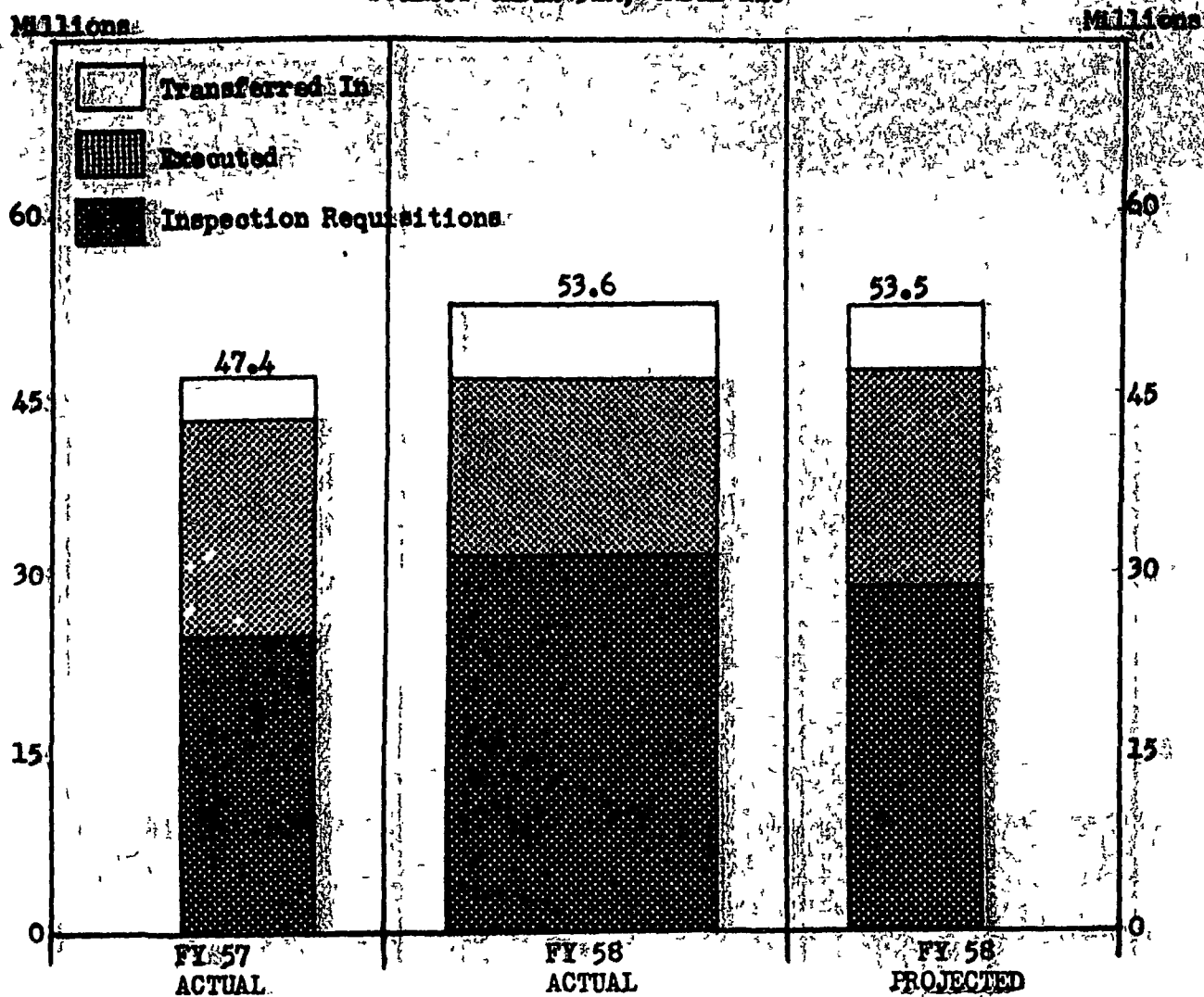
DESCRIPTION	31 MARCH 1958	%	30 JUNE 1958	%	ACTIVITY 4/1/58 THRU 6/30/58
INDIRECT COSTS					
OPERATION & MAINTENANCE FACILITIES					
9010-1100 COMMAND & STAFF					
DISTRICT HQRS. & SMALL BUSINESS	33,842.11	.021	44,558.95	.021	10,717.24
ADJUTANT OFFICE	19,160.80	.012	24,916.92	.011	5,756.12
COMPTROLLER OFFICE	75,642.04	.048	103,991.45	.048	28,349.41
DALLAS REGIONAL OFFICE	3,239.52	.002	6,641.17	.003	3,401.65
PERSONNEL OFFICE	354.73	-0-	812.35	-0-	457.62
OPERATIONS DIVISION	151.08	-0-	326.44	-0-	175.36
LEGAL OFFICE	430.94	-0-	955.09	-0-	524.15
INSPECTION DIVISION	259.96	-0-	1,107.04	.001	847.08
ABMA	20,882.57	.013	25,158.25	.012	4,275.88
SERVICE OFFICE	92,222.54	.059	118,109.87	.055	25,887.33
TOTAL	248,186.29	.155	326,577.93	.151	80,391.64
9010-1211 PERSONNEL ADMINISTRATION	23,668.71	.015	32,680.43	.016	9,011.72
9010-1212 PERSONNEL TRAINING	1,354.19	.001	1,535.03	.001	180.84
9010-1220 FINANCE & ACCOUNTING	86,624.86	.054	114,710.92	.053	28,086.06
9010-2400 SECURITY GUARDS	3,363.54	.002	4,629.44	.002	1,265.90
9030-1000 MAINTENANCE OF ACTIVE FACILITIES	-0-		14,133.35	.007	14,133.35
9050-1100 SUPPLY OPERATIONS	10,738.38	.007	15,276.66	.007	4,538.28
9050-1400 PURCHASING & CONTRACTING	.28	-0-	.28	-0-	-0-
9050-2500 COMMERCIAL COMMUNICATIONS	38,789.17	.022	58,229.62	.027	19,440.45
9050-3200 MOVEMENT SERVICES	19,109.38	.012	25,889.84	.012	6,580.46
2210-9000 OPERATION & MAINTENANCE OF FAC. TOTAL	429,834.80	.268	593,463.50	.275	163,628.70
DISTRICT OPERATING COSTS EXCLUDING RETROACTIVE PAY	1,594,475.60	1.000	2,161,487.10	1.000	566,826.49
RETROACTIVE PAY			70,168.04		
TOTAL DISTRICT OPERATING COSTS	1,594,475.60		2,231,655.14		566,826.49

CHAPTER 2

REVIEW OF MISSION ACCOMPLISHMENTS AND PROJECTIONS

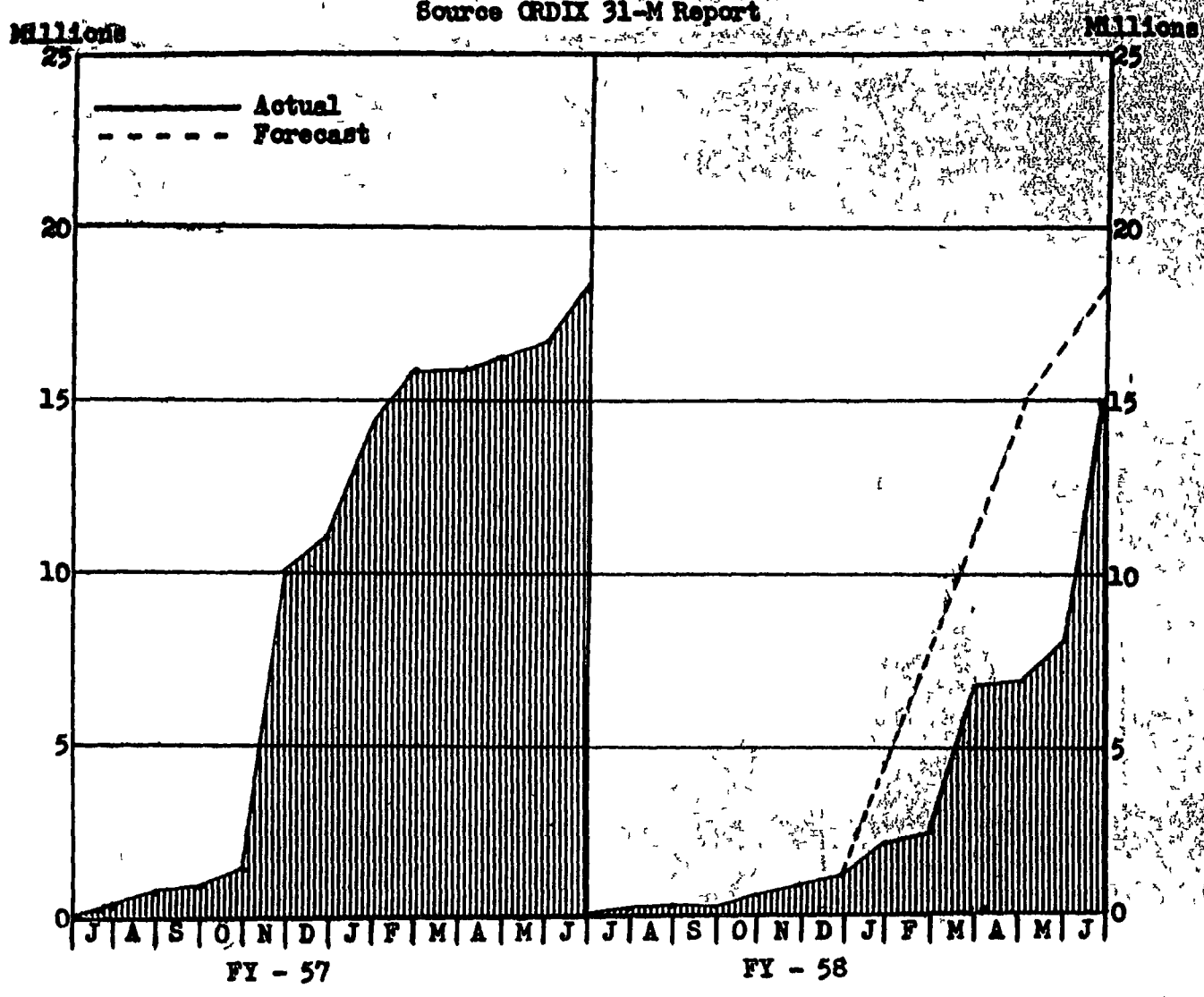
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DOLLAR VOLUME SUMMARY
BY FISCAL YEAR
 Sources: ORDEX 31M, ORDEX 120



As previously predicted, the forecasted total volume of 53.5 million dollars was achieved by a sharp increase in procurement during the last quarter of the fiscal year. Much of the 8.5 million dollars of contract executions in the fourth quarter materialized as the result of aggressive effort and improved Contractor/District relations. The shortfall of 3 million dollars in contract executions can be attributed to reduced procurement of small arms ammunition in FY 58; however, receipt of inspection requisitions in excess of the projection more than offset the shortfall.

CUMULATIVE DOLLAR VALUE - CONTRACTUAL DOCUMENTS EXECUTED
BY FISCAL YEAR
Source ORDIX 31-M Report

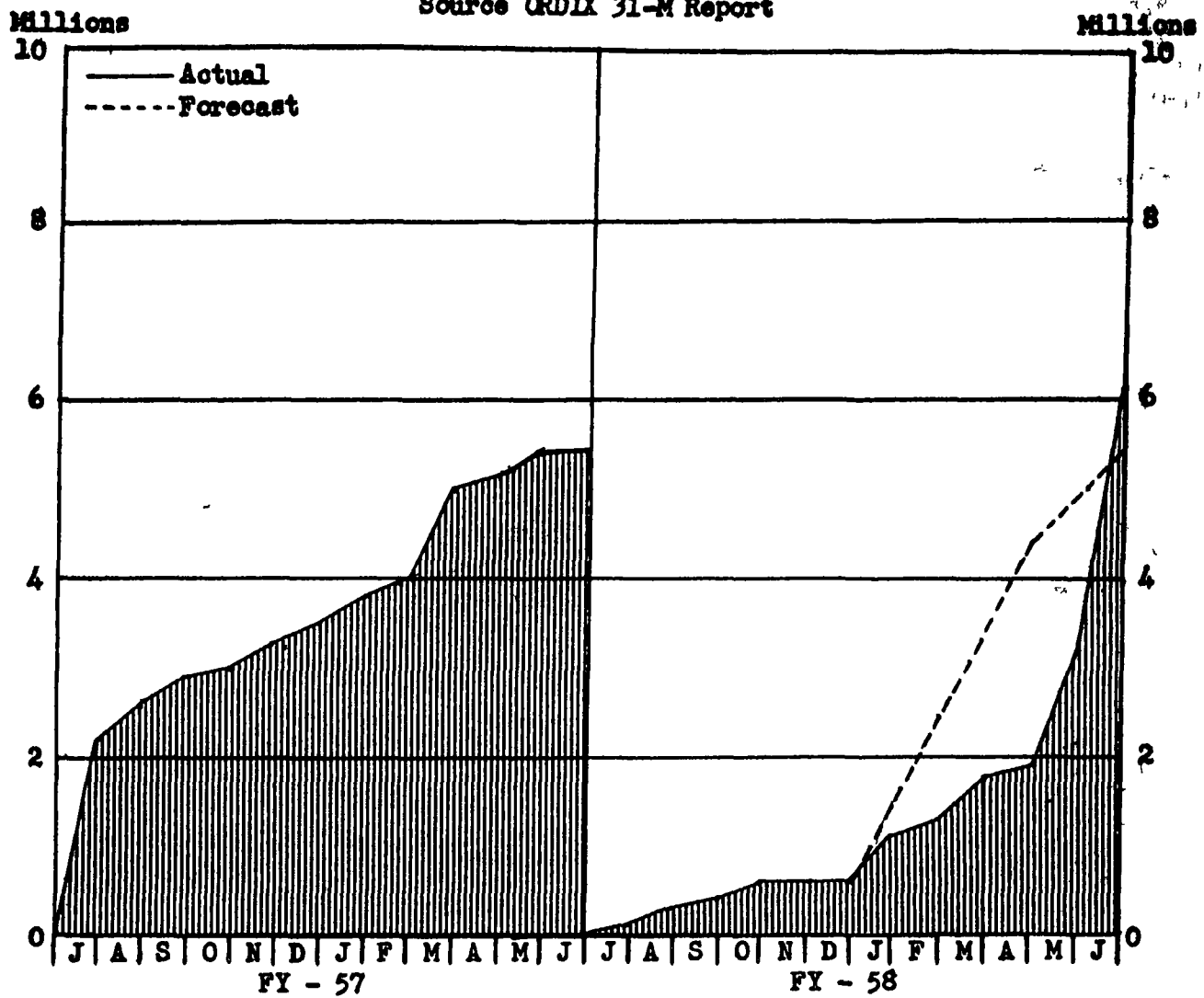


NOTE: Does not include "Transfer In" Business

Chart emphasizes the drastic reversal in the chronological allocation of the procurement dollar. By 1 Mar FY 57, 85% of the procurement dollars for the year had been allocated. In contrast, by 1 Mar FY 58, 15% of the procurement dollars for the year had been allocated. This was apparently the result of the restriction placed upon the procurement and expenditure dollar in the first half of FY 58. Present indications for FY 59 are that the dollar volume for the first month will be greater than the first six months of FY 58.

CUMULATIVE DOLLAR VALUE OF CONTRACTS TRANSFERRED IN FOR ADMINISTRATION BY FISCAL YEAR

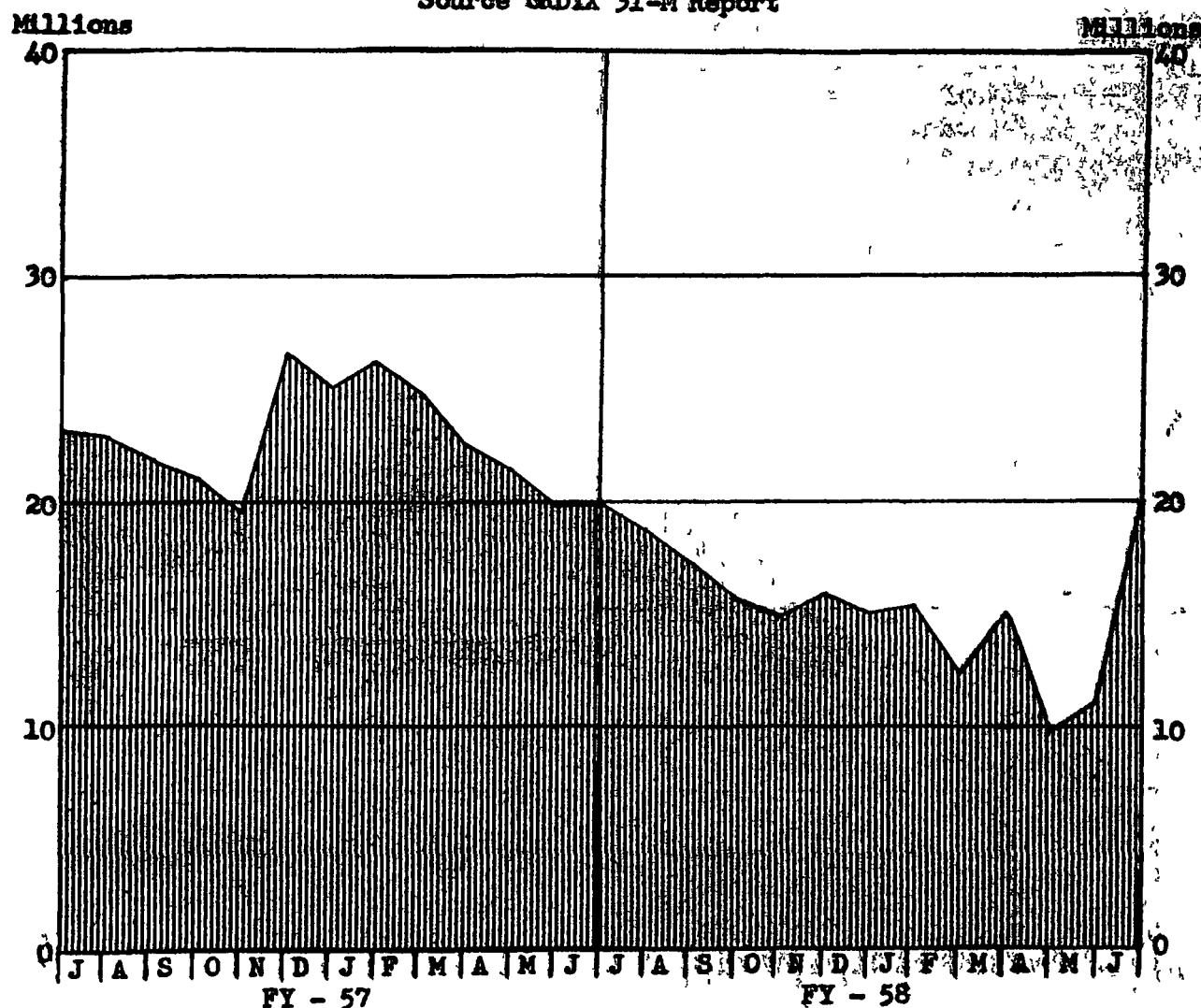
Source ORDIX 31-M Report



Receipt of the transferred-in procurement dollar followed approximately the same pattern as the allocation of the execution dollar. By 1 March FY 57, 75% of the transferred-in dollars had been received whereas by 1 March FY 58 only 22% had been received.

UNDELIVERED DOLLAR VALUE OF CONTRACTS UNDER ADMINISTRATION BY FISCAL YEAR

Source GRDIX 31-M Report



The severe decrease in undelivered value in April FY 58 was caused by removal of the undelivered value of several contracts which were terminated but not settled. The effect of the sharp increase in procurement allocation in the month of June FY 58 is immediately reflected as an undelivered value of 20 million dollars which is equal to the undelivered value at the end of FY 57 despite the removal of the unsettled terminations in April. Prospects for substantial increases in undelivered value in the first quarter of FY 59 are very firm.

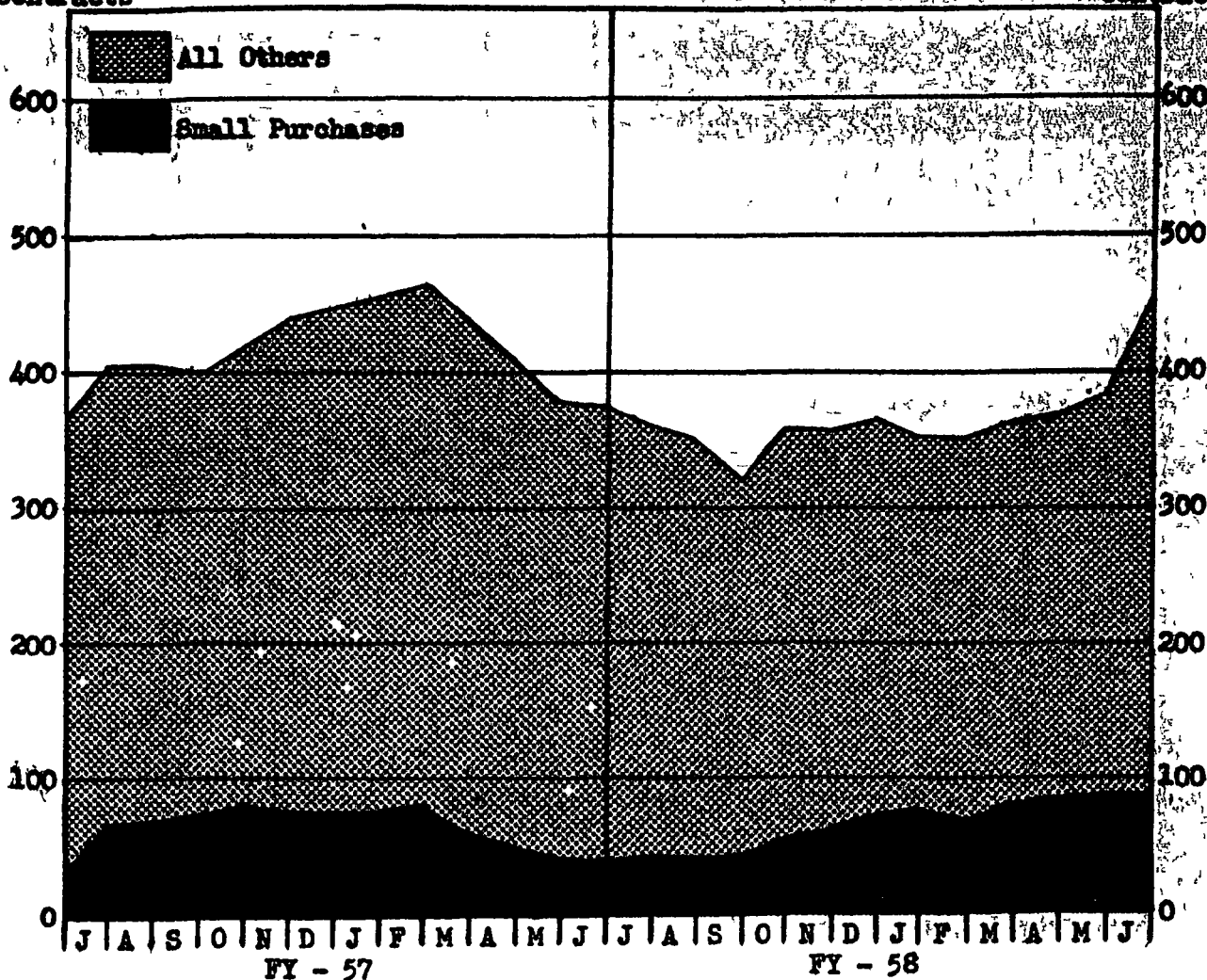
NUMERICAL TOTAL OF CONTRACTS UNDER ADMINISTRATION

BY FISCAL YEAR

Source: SLD T150

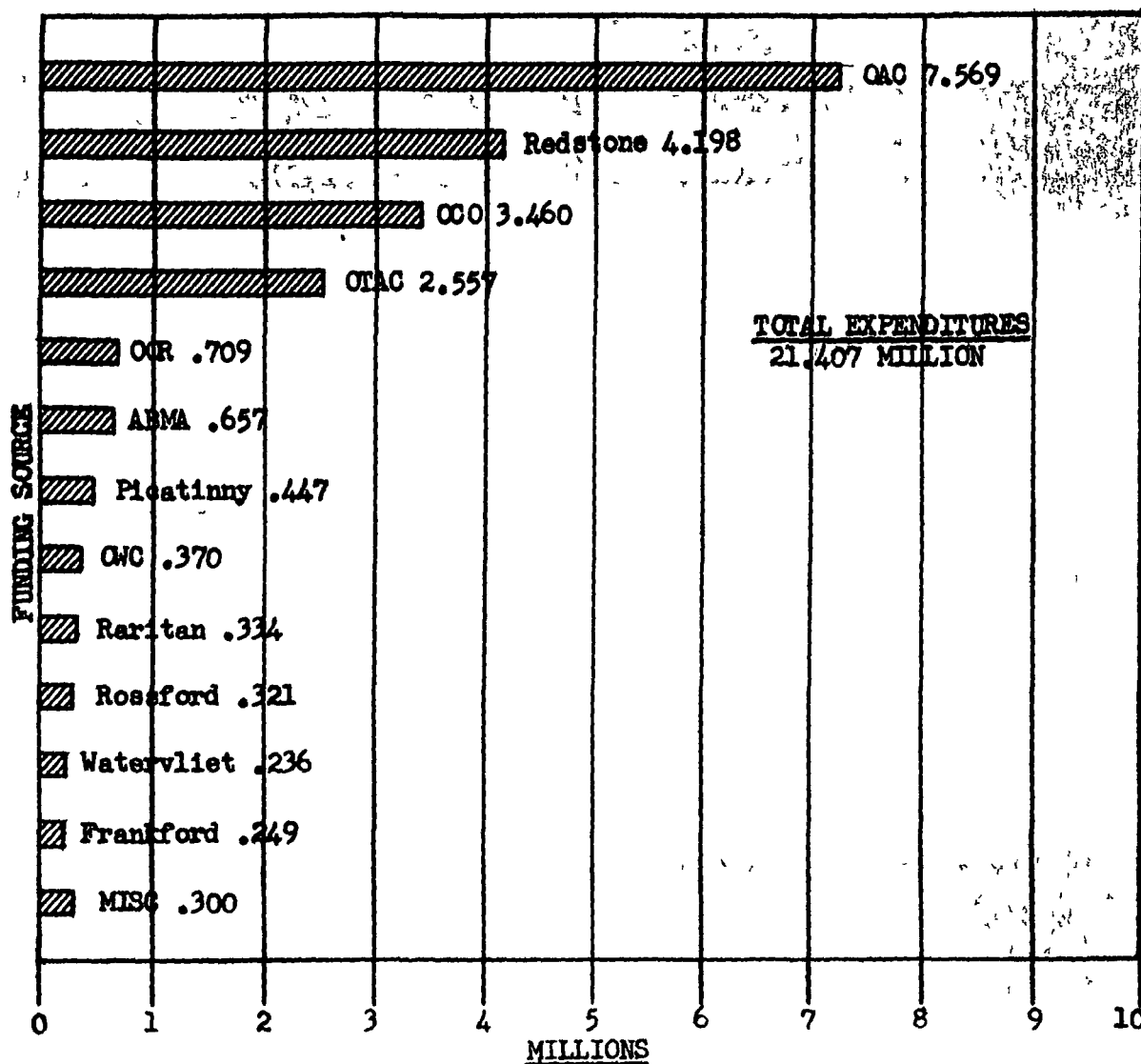
Nr of
Contracts

Nr of
Contracts



The numerical status of contracts under administration is approximately equivalent to the peak status of FY 57. In FY 57 a total of 456 contracts were executed as compared with the execution of 635 contracts in FY 58, which indicates that more pieces of paper are being handled for the same dollar volume by fewer people.

CUMULATIVE EXPENDITURES FOR FISCAL YEAR 1958

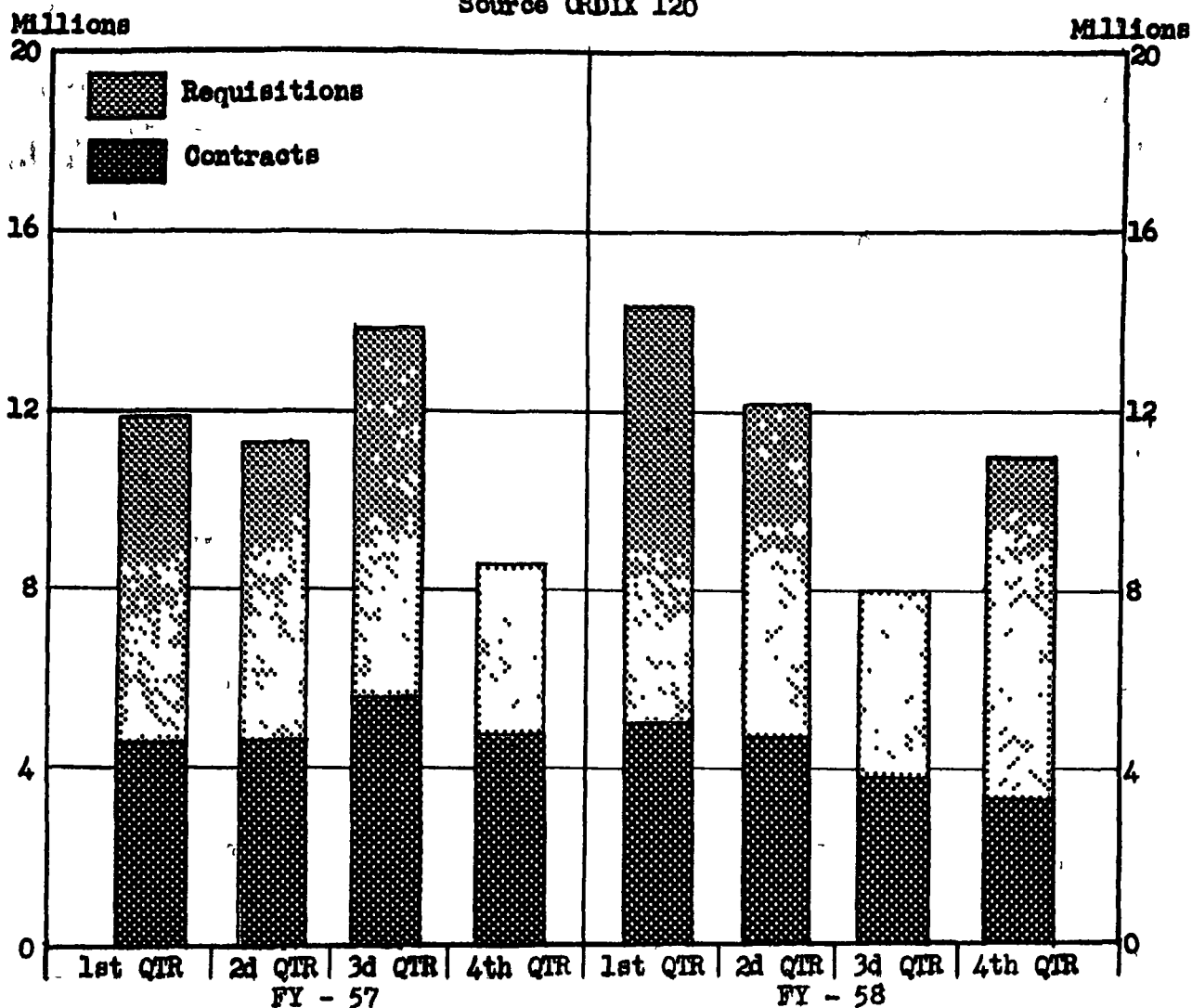


The total expenditures of \$21.407 million presents the following distribution when broken down by type of funds:

Production & Procurement	61.2%
Operation & Maintenance, Army	18.6%
Stock Fund	8.8%
Army Industrial Fund	6.4%
Research & Development	5.0%

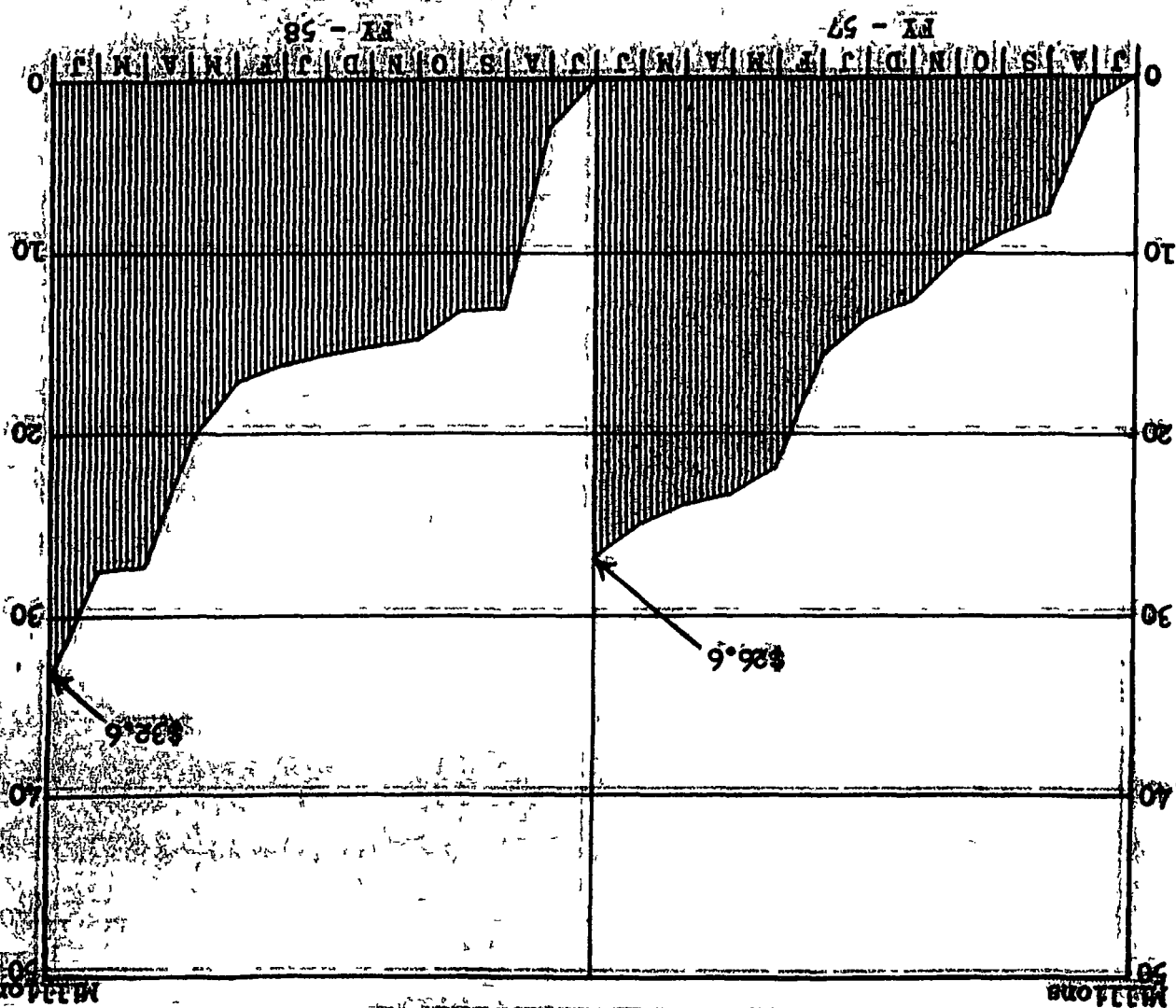
62% of the OCO expenditures was for District operating cost. At the end of the third quarter, combined Redstone and ABMA expenditures constituted 19% of total expenditures. As of the end of the fiscal year, the combined Redstone, ABMA expenditures constitutes 23% of total expenditures with 20% of the 23% funded by Redstone.

**DOLLAR VALUE OF MATERIEL AND SUPPLIES INSPECTED AND ACCEPTED
BY FISCAL YEAR
Source ORDIX 120**



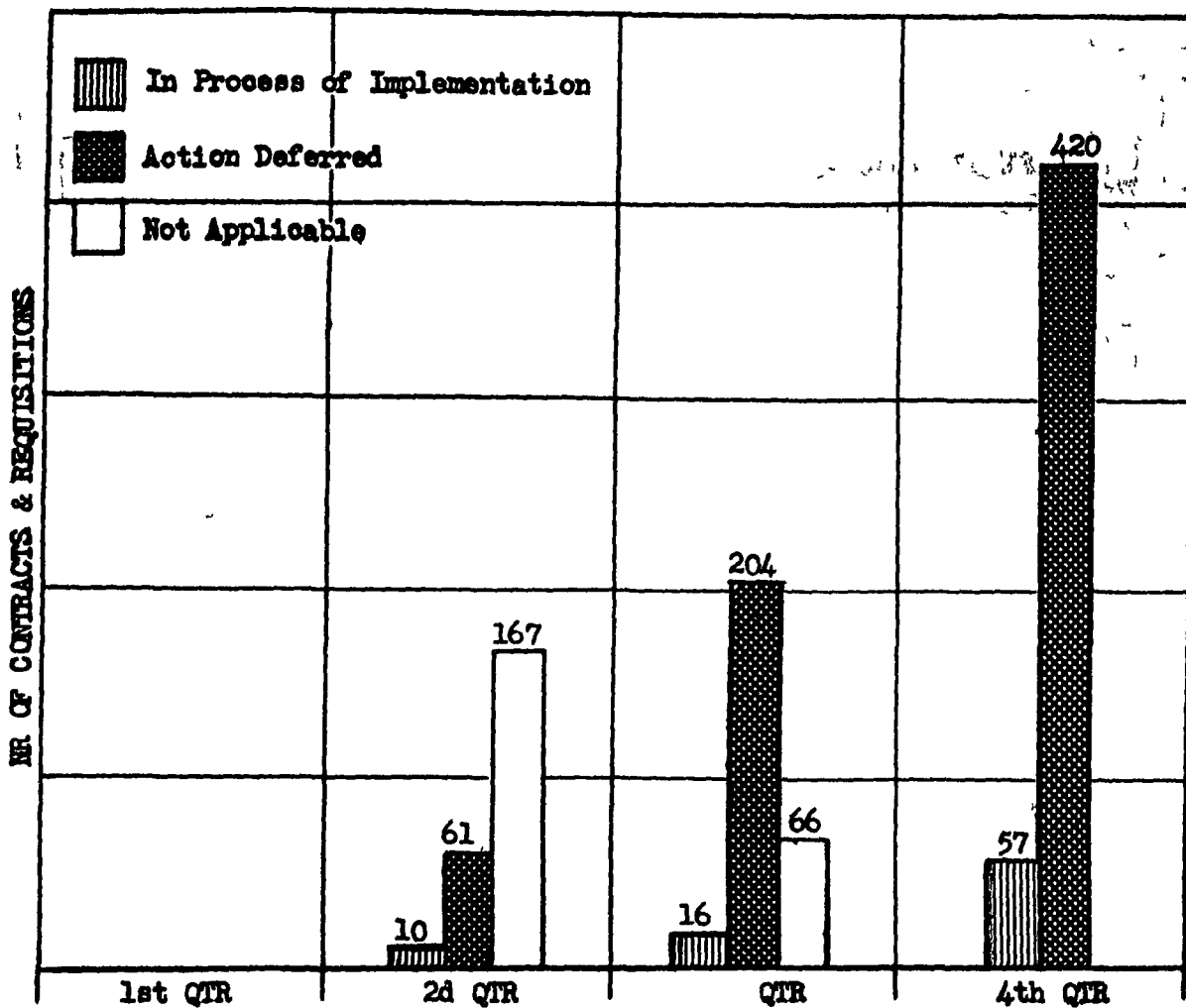
The projected dollar volume of acceptances of 10 million for the 4th quarter was met with an actual acceptance value of 10.8 million. During the 4th quarter, the bulk of the inspection requisition dollar volume consisted of vehicles. The prime contract acceptances consisted mainly of small arms ammunition and missile components.

Predictions for a cumulative value of thirty (30) million dollars for inspection requisitions were exceeded primarily by reason of initial activity for this District, in principle missile components. Also contributing, was a resumption of activity in the procurement of vehicles and vehicle replacement parts.



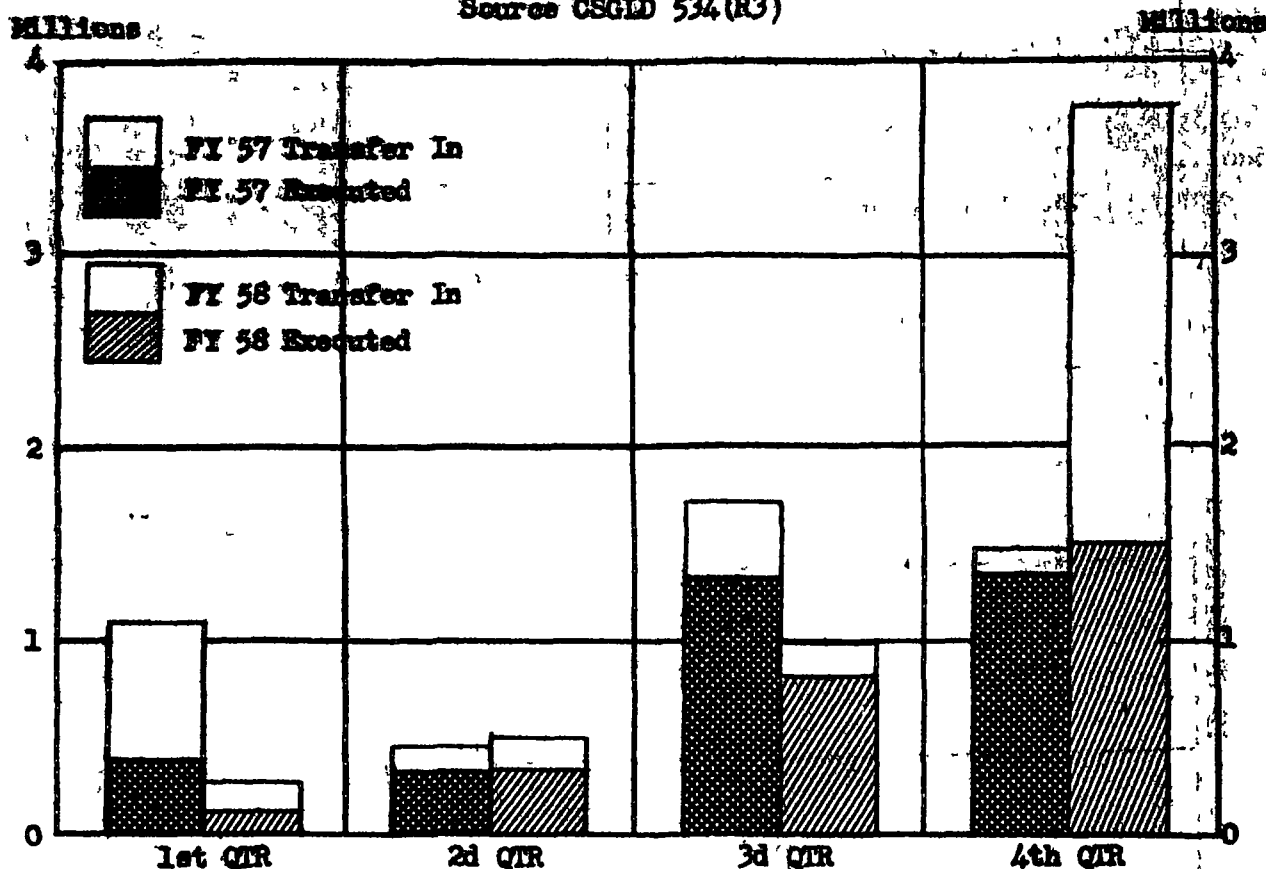
CUMULATIVE DOLLAR VALUE OF REQUISITIONS RECEIVED
BY FISCAL YEAR
Source: GDDK 120 & GDDK 31M

QUALITY ASSURANCE IMPLEMENTATION
Quarterly Status - FY 1958
Source ORDIX 148



In reviewing the Quality Assurance Program, it was decided that all production contracts would fall into two (2) categories, either in process or deferred. Previously another category, non-applicable, was used. This non-applicable category was deleted because with the increased knowledge of small quantity and short duration purchase orders it became possible to install a general Quality Assurance Program covering such purchases. Such a QA program insures quality end items regardless of price, quantity and delivery schedule.

PRIME CONTRACT DOLLARS ALLOCATED TO SMALL BUSINESS
BY FISCAL YEAR
Source CSGLD 534 (R3)

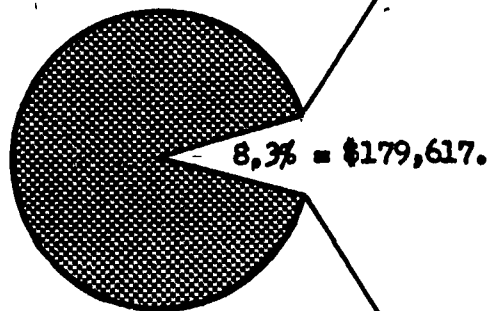


	FY 57	FY 58
1. Ratio of Sm Bus Executed to Total Executions	18.6%	18.5%
2. Ratio of Sm Bus Transferred In to Total Transfer Ins	24.8%	44.9%
3. Categories 1 & 2 above combined	20.0%	26.2%

The chart and tabular data indicate that the District continues to maintain a healthy picture in the allocation of prime contract dollars to small business. Of particular significance, was the award of a \$1,645,242.52 contract to Spencer-Safford Aircraft Company in the 4th quarter of FY 58. It was the allocation which caused the transfer-in ratio to increase from 24.8% to 44.9%.

INDUSTRIAL PREPAREDNESS
FISCAL YEAR 1958 TO DATE
30 June 1958
Source Finance & Accounting

Of Total Operating Costs
of \$2,161,292. for the
FY to date, Industrial
Preparedness accounts
for



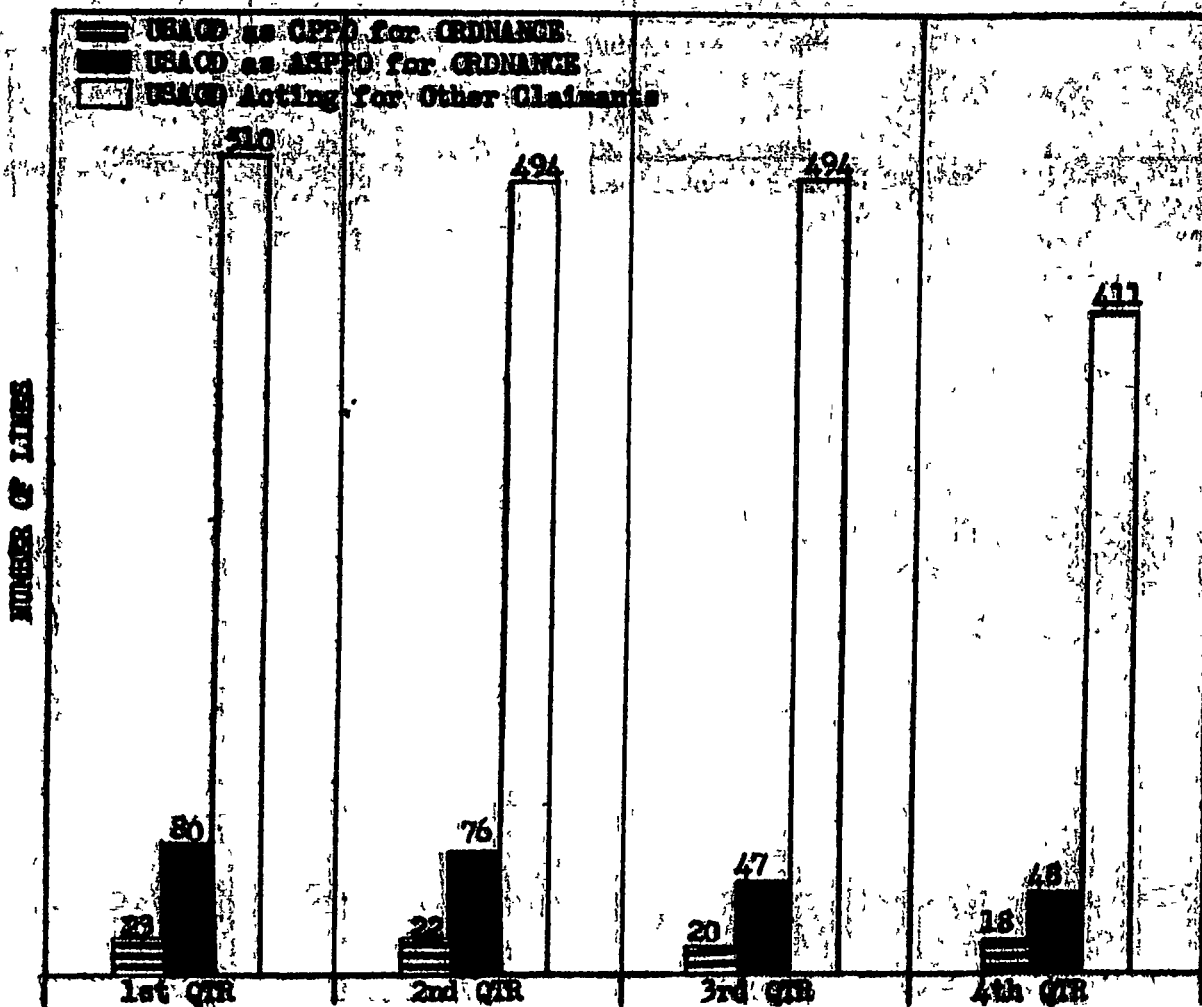
	\$	%	Cost Code 2210.
	13,990.	7.8	4200
	82,443.	45.9	4400
	34,843.	19.4	4500
	44,738.	24.9	4800
	3,515.	2.0	4900

COST CODE DESCRIPTION

- 2210.4200 - Maintain inventory of Government-Owned production equipment.
- 2210.4400 - Develop tentative production agreements with private industry.
- 2210.4500 - Develop plant and quality control methods and procedures.
- 2210.4800 - Inspect plants and storage sites assigned to Army for inspection.
- 2210.4900 - Plan projects and prepare project requests.

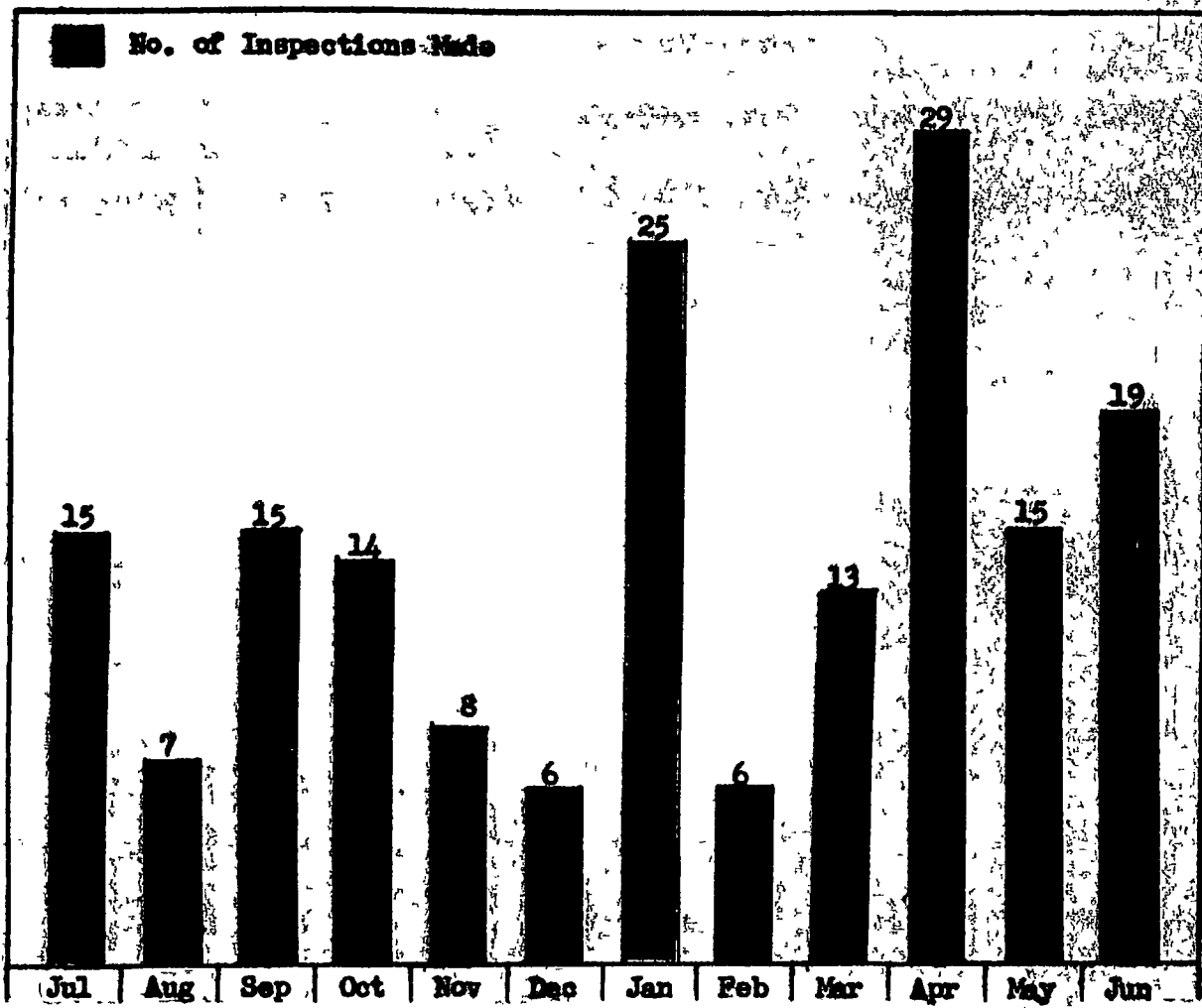
NOTE: \$88.00 for 2210.4300, Maintenance of Production Data, is not included in the .4 breakdown.

PRODUCTION ALLOCATIONS
Number of Planned Lines in Effect
FISCAL YEAR 1958
Source LCI 295 Report



The net loss of 83 planned lines in "Other Claimants" planning can be attributed to the removal of one contractor with a "Planned Item" count of 86.

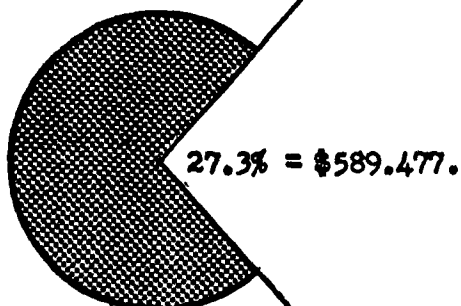
**PLANT & STORAGE SITE INSPECTION
For
INDUSTRIAL PREPAREDNESS PLANNING
FISCAL YEAR 1958
Source Inspection Div.**



Although there appears to be considerable fluctuation in the inspection counts per month, the visits are made according to an advance schedule which has been phased in with the rest of the workload to accomplish the most effective utilization of personnel.

OPERATION & MAINTENANCE OF FACILITIES
FISCAL YEAR 1958 TO DATE
30 June 1958
Source Finance & Accounting

Of Total Operating Costs
of \$2,161,302. for the
FY to date, Operation
& Maintenance of
Facilities accounts
for



\$	%	Cost Code 2210.
326,578.	55.4	9010:1100
32,683.	5.5	9010:1211
1,533.	.3	9010:1212
114,712.	19.5	9010:1220
4,629.	.8	9010:2400
14,133.	2.4	9030:1000
15,276.	2.6	9050:1100
54,244.	9.2	9050:2500
25,689.	4.3	9050:3200

COST CODE DESCRIPTION

- 2210.9010:1100 - Command and provide staff administrative control over all installation activities.
- 2210.9010:1211 - Personnel administration.
- 2210.9010:1212 - Operate civilian training courses.
- 2210.9010:1220 - Perform finance and accounting services.
- 2210.9010:2400 - Guard Service.
- 2210.9050:1100 - Receive, store, issue, and control operating supplies.
- 2210.9050:2500 - Cost of commercial communications.
- 2210.9050:3200 - Provide traffic management relating to commercial transportation.
- 2210.9030:1000*- Maintenance of Active Facilities.

* The 9030:1000 costs were incurred during the 4th quarter of FY 1958 because of the relocation of District headquarters to 4300 Goodfellow Blvd.

FINANCE & ACCOUNTING
ACCOUNTING POSTINGS & DOCUMENTS PROCESSED
FISCAL YEAR 1958

Source Finance & Accounting Branch

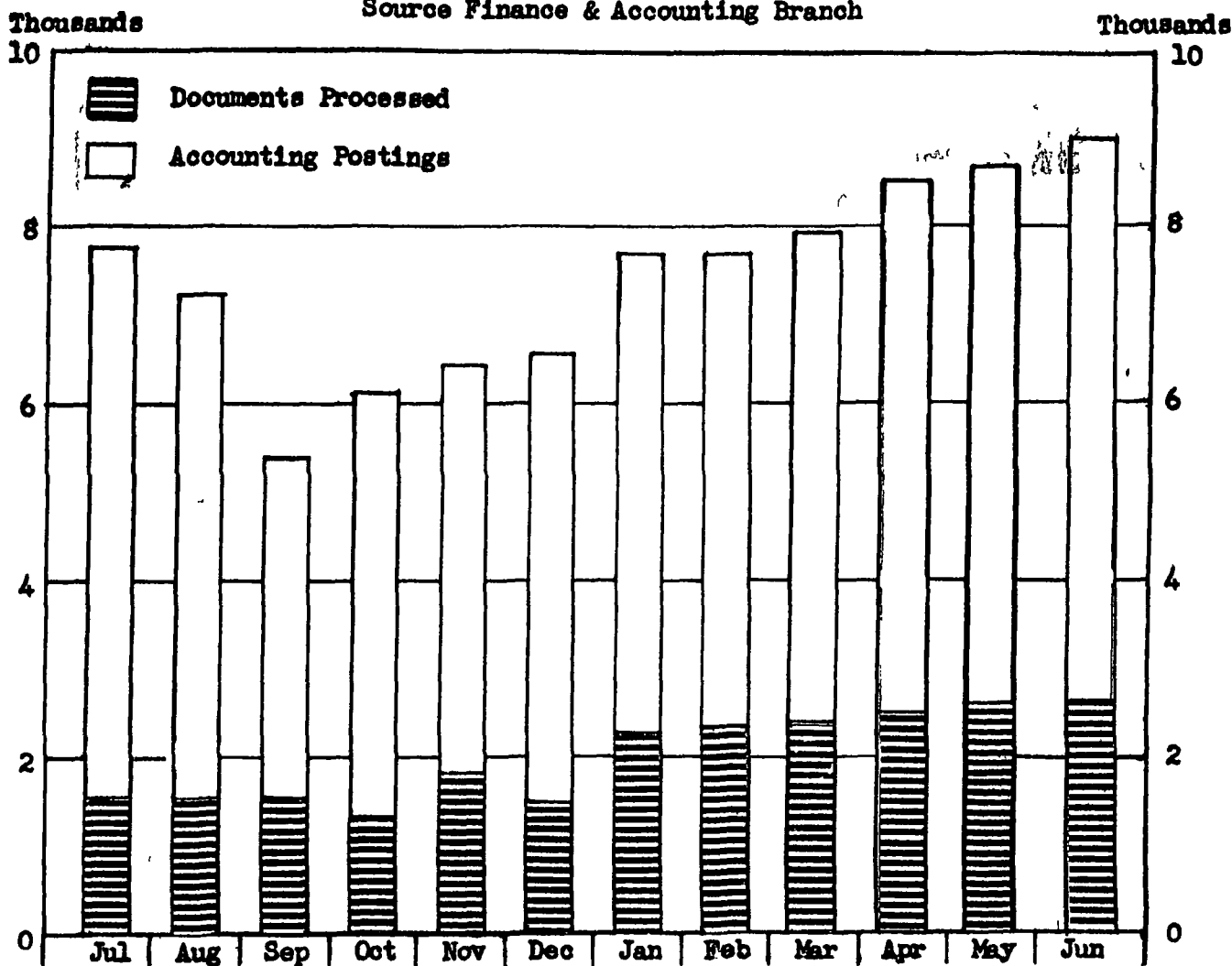
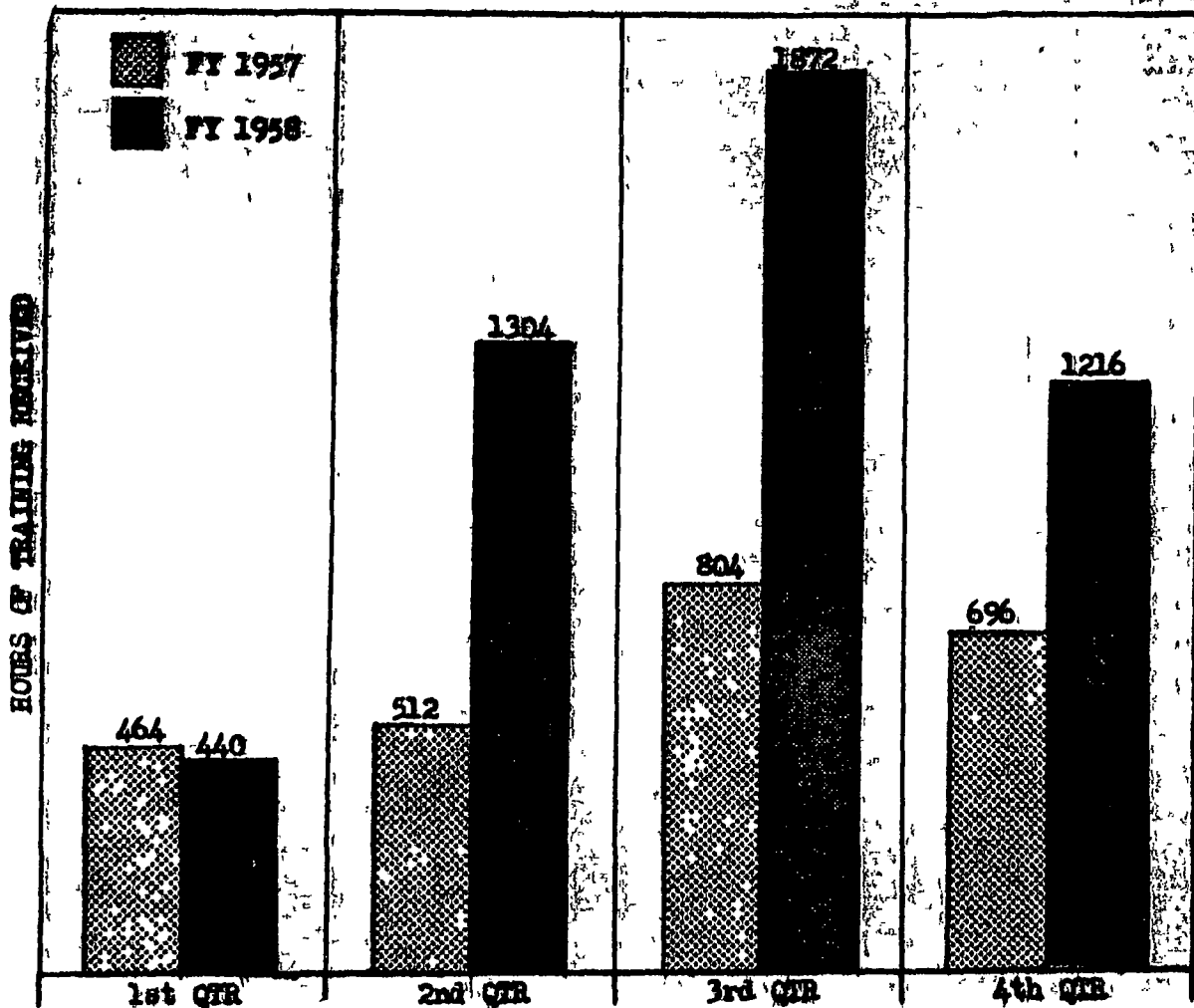


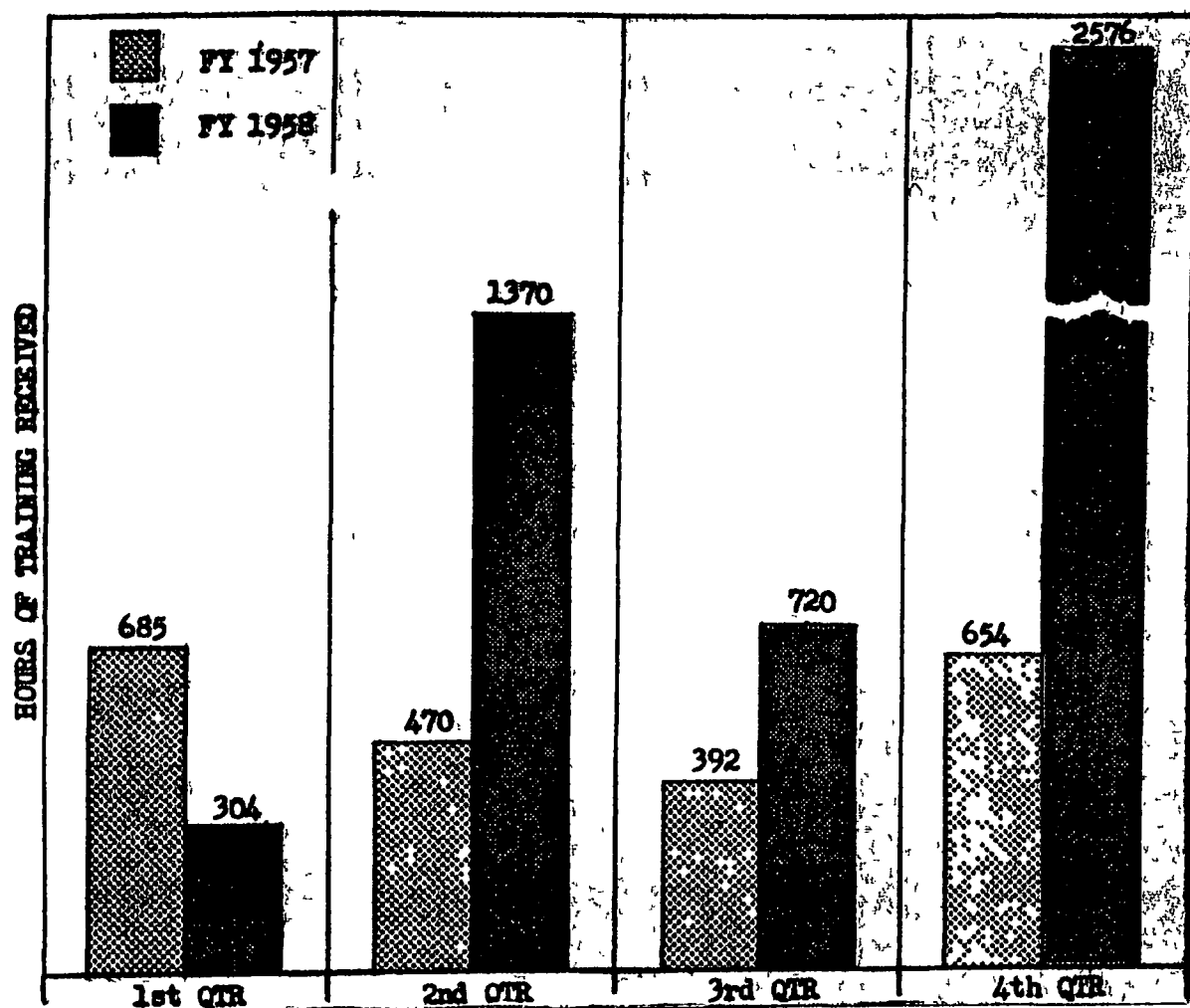
Chart reflects a gradual increase in both categories toward the end of the year which conforms to the distribution of the procurement workload for FY 58. The first six months of the fiscal year graphically illustrate the effect of severe expenditure control on accounting postings.

AWAY FROM INSTALLATION TRAINING
BY FISCAL YEAR
Source: CSOPA 424 Report



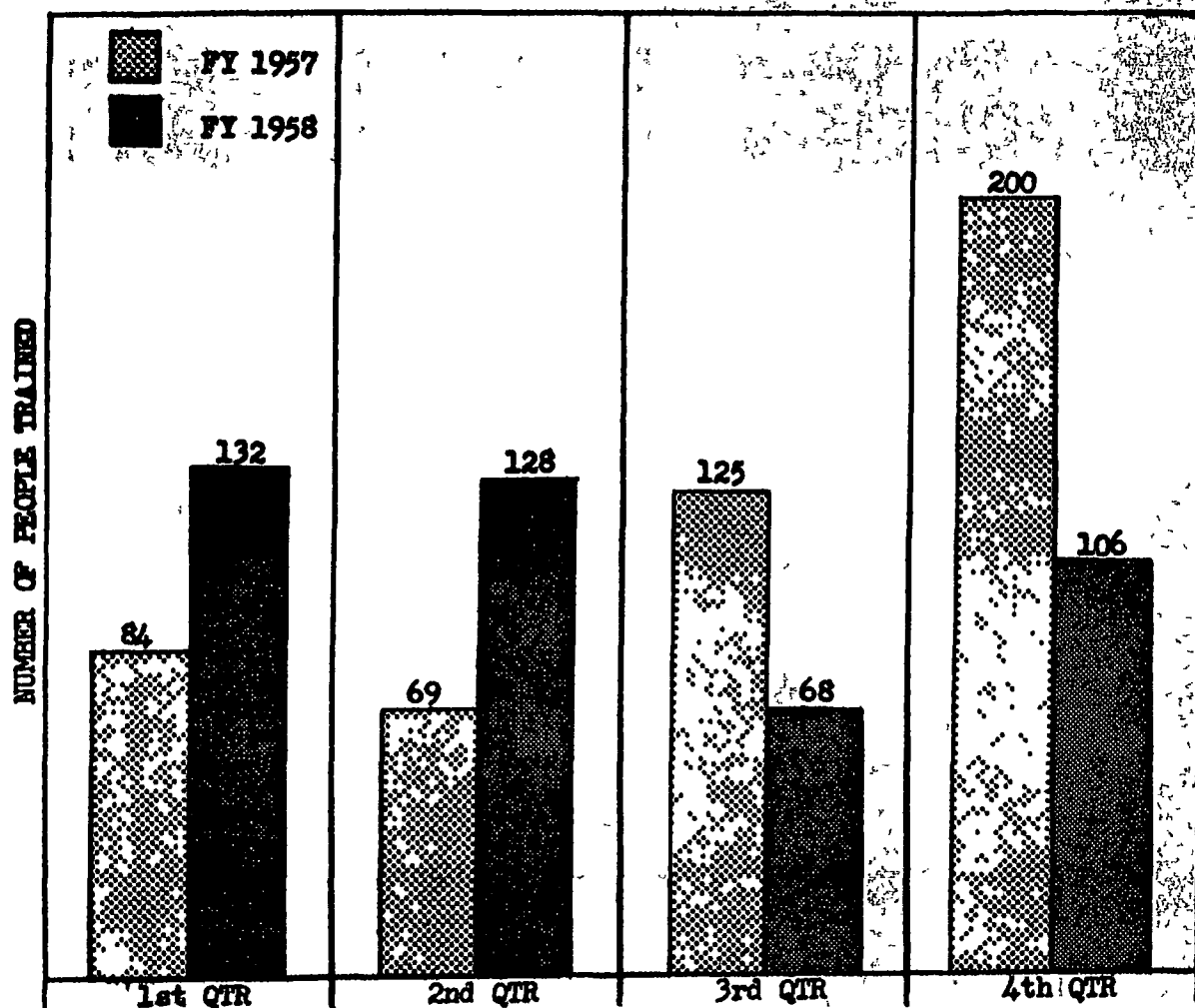
Two-thirds of the 1,216 training hours received in the fourth quarter of FY 1958 were divided equally between Jupiter Engine Training and Joint Military Packaging Training. The 1,216 actual hours also compare favorably with the projection of 1,250 training hours recorded in the third quarter Financial and Operating Review.

TRAINING RECEIVED WITHIN INSTALLATION
BY FISCAL YEAR
Source CSGPA 424 Report



The fourth quarter projection of 2,500 training hours within the installation proved to be accurate as evidenced by the actual amount of 2,576 training hours. The actual hours consisted of 2,000 hours for the course in Contract Pricing and 576 hours for a course in Quality Assurance. Fifty personnel attended the Contract Pricing Course. Forty-nine received passing grades and one person was unable to take the final examination.

SKILLS TRAINING BY FISCAL YEAR Source CSGPA 424 Report



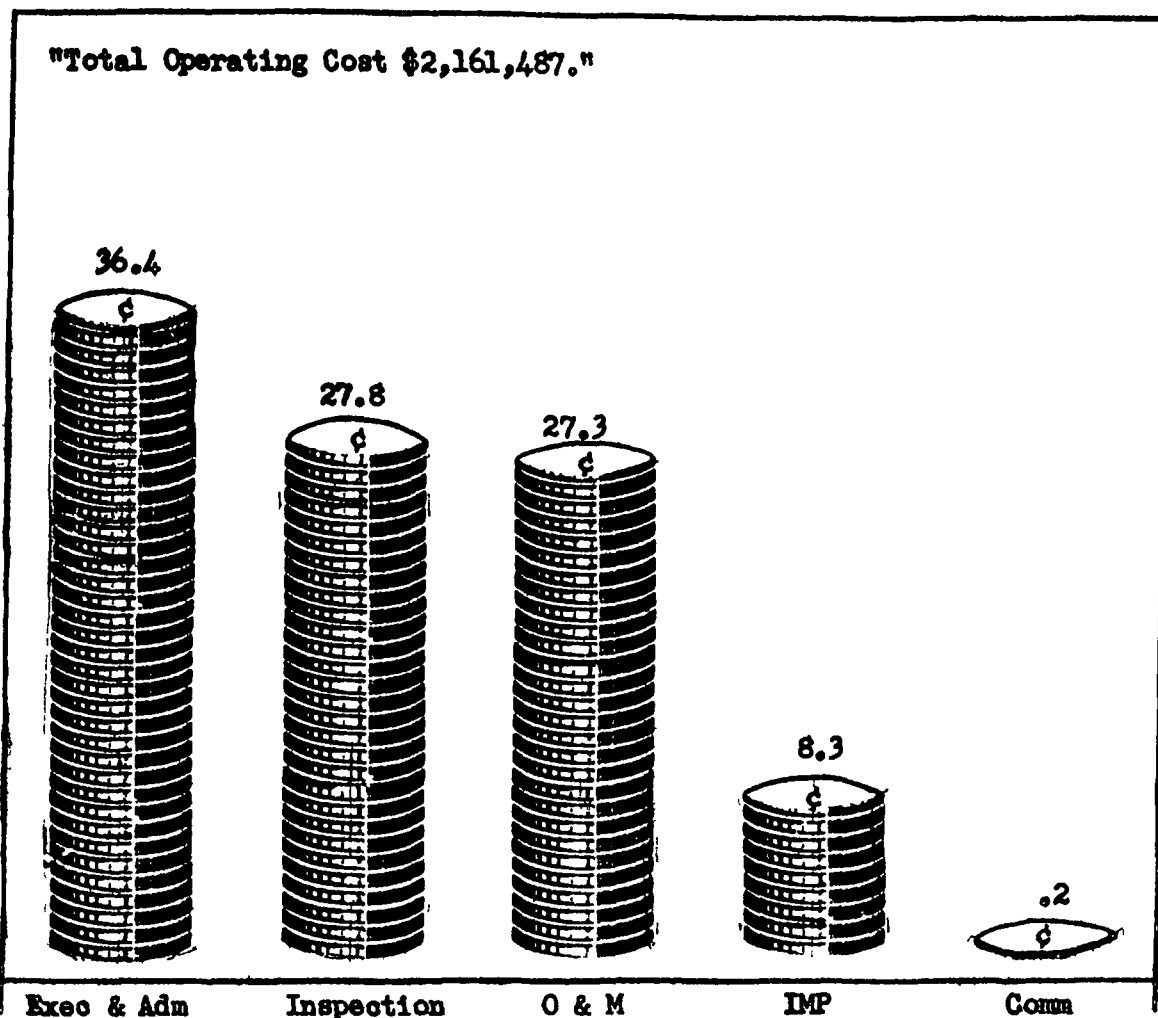
This chart portrays the numerical count of people receiving Within- and Away-From Installation Training in the Skills Courses. 478 people received training in FY 57 compared to 434 people in FY 58; however, each person trained received twice as many hours of training in FY 58. In FY 1959 the emphasis will be in the fields of Supervisory, Missile, and Management Training. The Supervisory Training will be concentrated in the areas of the Federal Merit Promotion Plan and Civilian Career Development Planning. Included in the Missile Training are eleven spaces at ABMA. The bulk of the Management Training will be received at OMETP, Rock Island Arsenal.

CHAPTER 3

REVIEW OF DISTRICT OPERATIONS

3.1

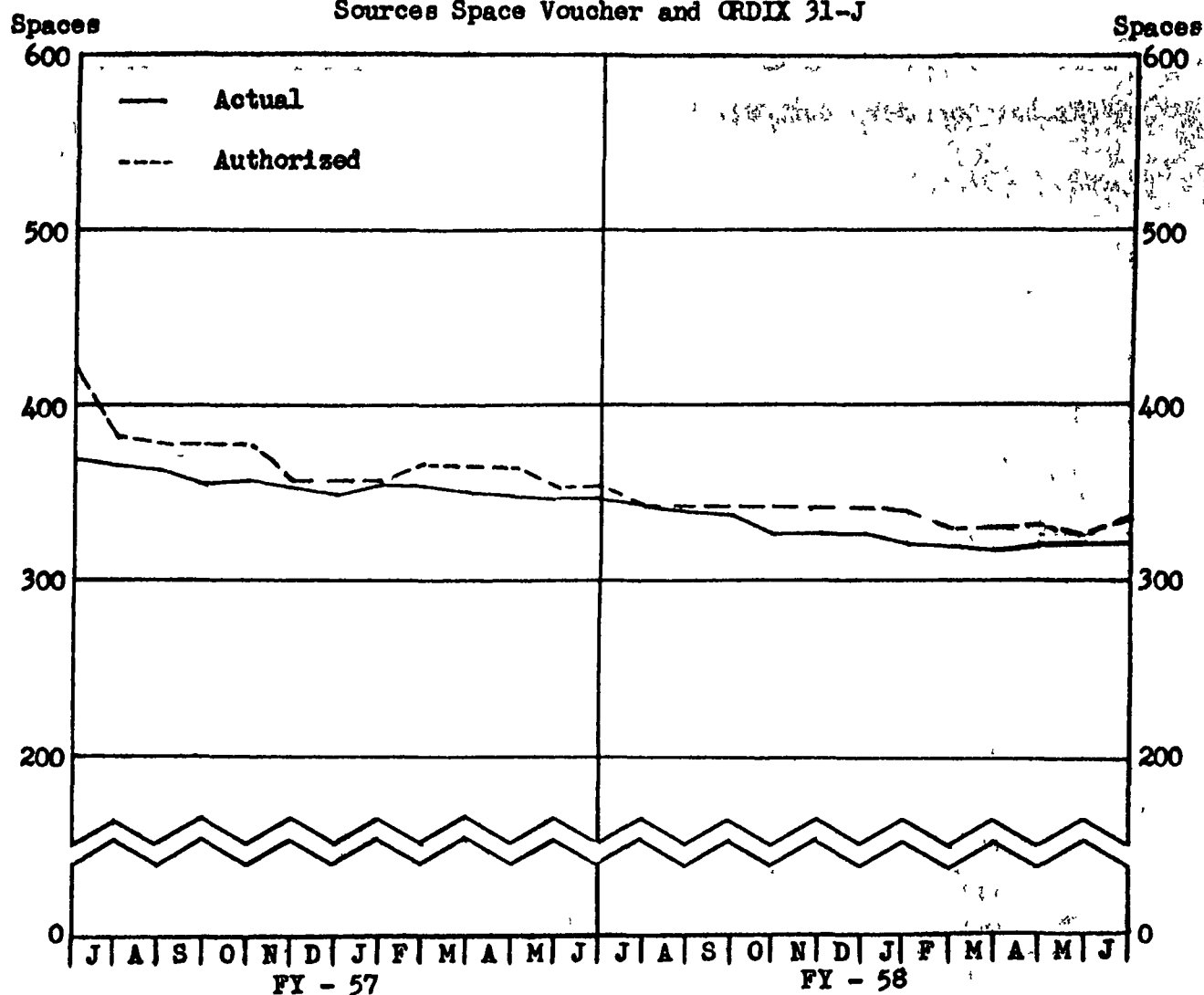
DISTRIBUTION OF THE OBLIGATED OPERATING COST DOLLAR
for
FISCAL YEAR 1958



The communications cost is for the operation of the Army-wide ACAN system only and does not include the cost of operating the commercial communications system which is included in the Operating and Maintenance of Facilities. The ratio of O&M costs to the remaining costs is 37.5% which is the Overhead Rate for the Fiscal Year 1958. The above chart and statistics do not include the retroactive wage payment of \$70,168.

COMPARISON OF AUTHORIZED TO ACTUAL CIVILIAN PERSONNEL SPACES BY FISCAL YEAR

Sources Space Voucher and ORDIX 31-J



COMPARISON OF AUTHORIZED TO ACTUAL CIVILIAN PERSONNEL SPACES (Cont'd)

FY - 58

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
CIVILIAN AUTHORIZED	342	342	342	342	342	342	340	330	330	330	325	335
CIVILIAN ACTUAL	342	339	336	326	327	326	321	319	317	320	320	320
MILITARY ACTUAL	8	6	9	8	8	7	6	6	6	6	6	7
TOTAL ACTUAL	350	345	345	334	335	333	327	325	323	326	327	327

FY - 57

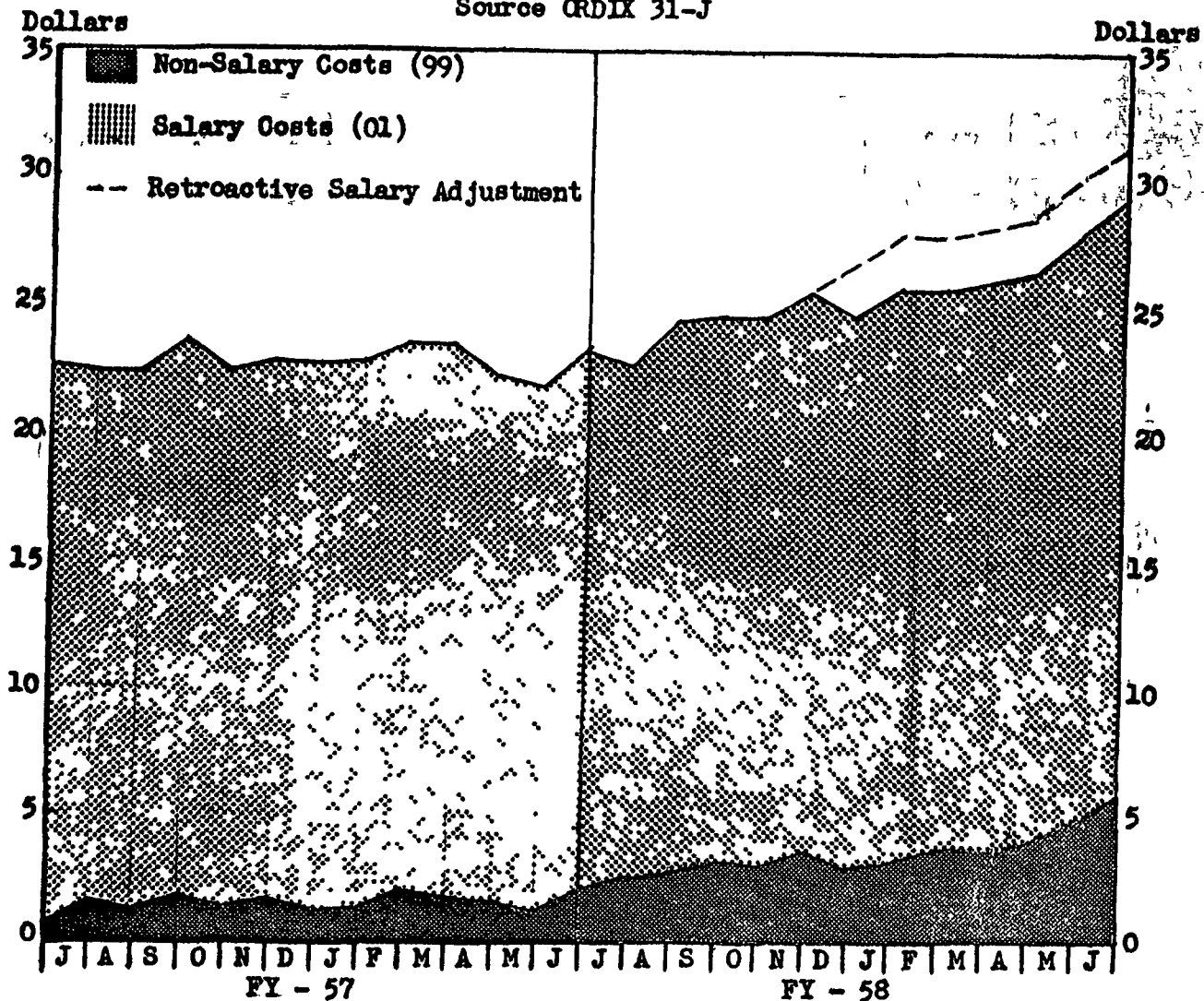
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
CIVILIAN AUTHORIZED	381	378	378	378	356	356	356	365	365	365	353	353
CIVILIAN ACTUAL	365	363	354	356	352	349	354	353	350	348	346	346
MILITARY ACTUAL	9	10	10	10	10	11	12	11	11	11	10	10
TOTAL ACTUAL	374	373	364	366	362	360	366	364	361	359	356	356

The increase of 10 authorized spaces from May to June represents ten Wage Board spaces needed, primarily, for increased inspection activities in the Missile field. The relocation of the District caused a temporary increase in employee turnover; however, the condition is expected to stabilize very quickly. As of 30 June 1958 the Civilian Space Voucher breaks down as follows:

	<u>AUTHORIZED</u>	<u>ACTUAL</u>	<u>DIFFERENCE</u>
Class Act	242	242	-0-
Wage Board	<u>93</u>	<u>78</u>	<u>15</u>
TOTAL	335	320	15

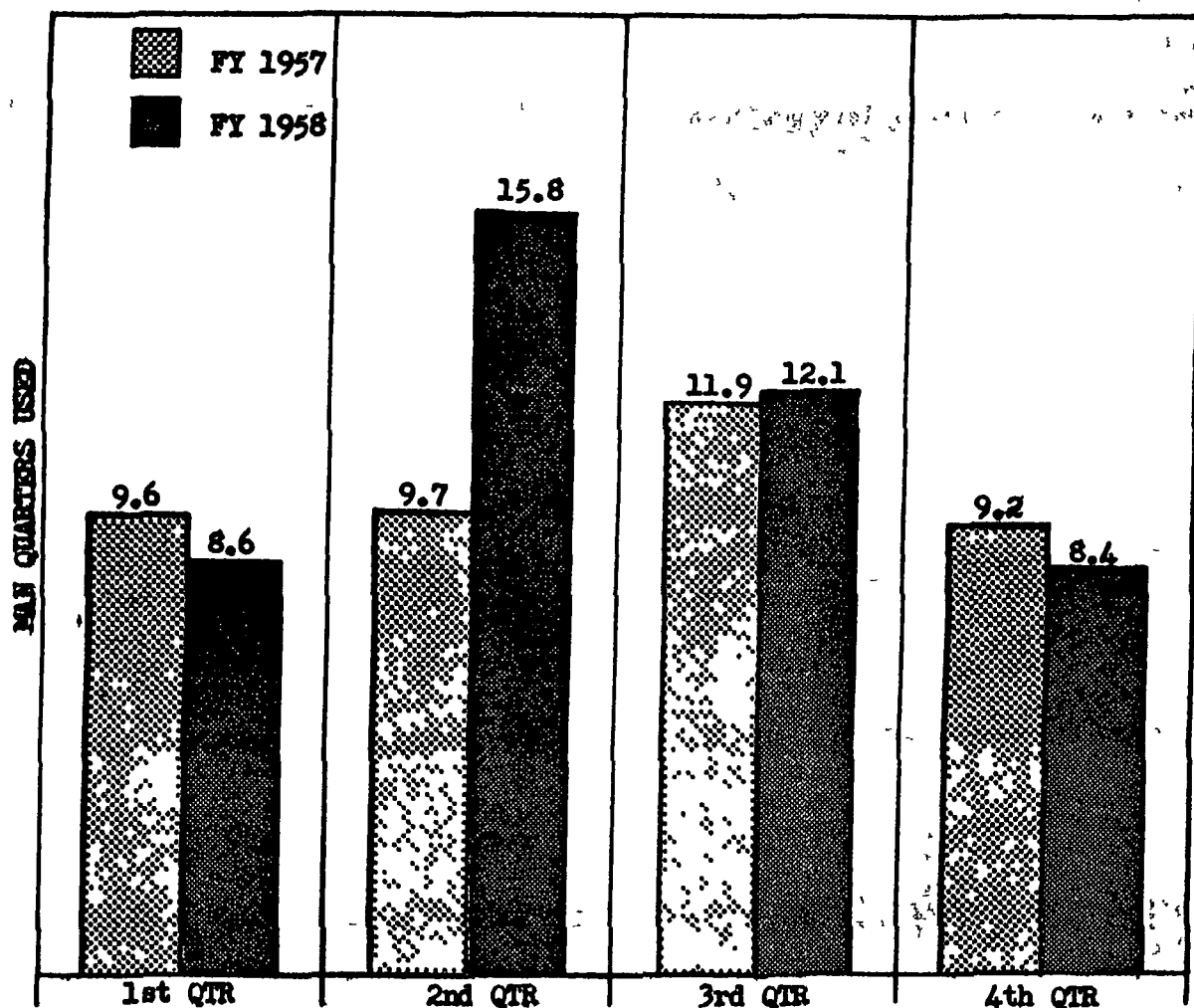
MAJOR ACTIVITIES	Percent of Deviation from Programmed						
	6	4	2	0	2	4	6
2210.1 EXECUTION & ADMINISTRATION							
Program \$1,389,725.							
Actual 1,388,407.							
Difference \$ 1,318. .1%							
2210.4 INDUSTRIAL PREPAREDNESS							
Program \$ 192,775.							
Actual 179,617.							
Difference \$ 13,158. 6.8%							
2210.9 OPERATION & MAINTENANCE							
Program \$ 579,100.							
Actual 589,477.							
Difference \$ 10,377. 1.8%							
2551.1 COMMUNICATIONS							
Program \$ 4,158.							
Actual 3,986.							
Difference \$ 172. 4.1%							
TOTAL							
Program \$2,165,758.							
Actual 2,161,487.							
Difference \$ 4,271. .2%							
<p><u>DEVIATION OF ACTUAL OPERATING COSTS FROM PROGRAMMED OPERATING COSTS</u> for FISCAL YEAR 1958</p> <p>The District was successful in meeting the requirement that 99.8% of authorized obligations for operating costs be actually obligated as of the end of the fiscal year. The maximum deviation of 6.8% which was in the Industrial Preparedness area is considered within acceptable limits.</p>							

**COST PER SPACE PER DAY
BY FISCAL YEAR
Source CRDIX 31-J**



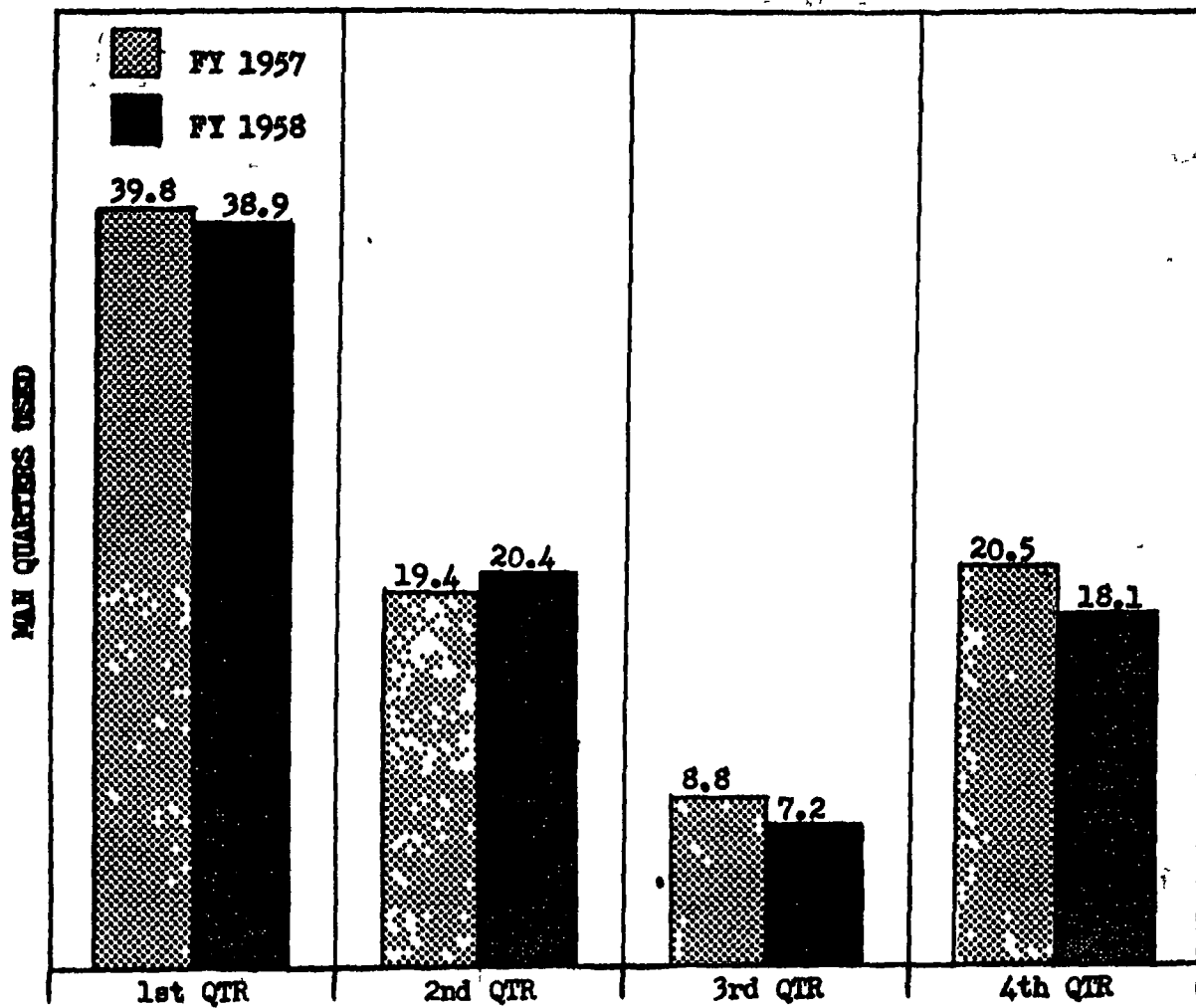
As evidenced by the chart, the increase in cost per space per day in the fourth quarter of FY 58 was concentrated in the non-salary cost area. This increase is primarily attributable to the relocation of District headquarters and the non-recurring costs incident to the relocation. In FY 59 the non-salary operating cost is expected to increase because the District will have to reimburse for a pro-rata portion of maintenance cost whereas at the former location, maintenance was a part of rental payments which were funded by another agency. The salary costs will increase in FY 59 by virtue of the 10% salary increase granted 20 June 1958. The chart does not include the retroactive salary adjustment but for the purposes of consideration it would increase total cost by \$1.73 per day per employee as reflected by the dotted line on the chart.

**SICK LEAVE
BY FISCAL YEAR**
Source CSQPA 426 Report



The ratio of sick leave taken to work days available for the fourth quarter of FY 1958 was 2.66%. The corresponding ratio for the entire fiscal year was 3.46%. With the exception of the 2d quarter, the utilization of sick leave followed the same trend as FY 1957. The ratio of sick leave used to sick leave earned for FY 1958 was 67.7%.

ANNUAL LEAVE
BY FISCAL YEAR
Source CSQPA 426 Report



The following additional data is also considered pertinent.

FISCAL YEAR 1958

Annual Leave
Sick Leave (Paid)
Paid Leave Total
Leave Without Pay
TOTAL

Ratio to Work Days
Available in FY 58

6.54%
3.46%
10.00%
.48%
10.48%

SUMMARY OF ACTUAL DISTRICT OPERATING COSTS
FISCAL YEAR 1957

<u>Cost Classifications</u>	<u>Total Cost</u>	<u>Average Cost Per Day</u>	<u>Average Cost Per Space Per Day</u>	<u>% of Total</u>
<u>Personal Services</u>				
Basic Salary	\$1,902,132	\$7,316	\$20.96	91.3%
Overtime	31,532	121	.35	1.5%
Terminal Leave	10,047	39	.11	.5%
Sub Total	\$1,943,711	\$7,476	\$21.42	93.3%
<u>Other Costs</u>				
Travel & Per Diem	76,342	294	.84	3.7%
Supplies & Other	14,732	57	.16	.7%
FICA & Insurance	6,447	25	.07	.3%
Training Travel	2,526	10	.03	.1%
Miscellaneous	1,733	7	.02	.1%
Telephone	36,899	142	.41	1.8%
Sub Total	\$ 138,679	\$ 533	\$ 1.53	6.7%
 GRAND TOTAL	 \$2,082,390	 \$8,009	 \$22.95	 100.0%

NOTE: Average strength in FY 1957 was 349 spaces.
Number of working days in FY 1957 — 260.

SUMMARY OF ACTUAL DISTRICT OPERATING COSTS
for the
FISCAL YEAR 1958

<u>Cost Classifications</u>	<u>Total Cost</u>	<u>Average Cost Per Day</u>	<u>Average Cost Per Space Per Day</u>	<u>Percent of Total Cost</u>
<u>Salary Costs</u>				
Basic Salary	\$1,842,037.81	\$7,057.62	\$21.78	82.52%
Overtime	21,283.17	81.54	.25	.95%
Terminal Leave	6,368.40	24.40	.08	.30%
Total Salary Costs	\$1,869,689.38	\$7,163.56	\$22.11	83.77%
<u>Non-Salary Costs</u>				
Travel & Per Diem	82,225.60	315.04	.97	3.68%
Supplies & Other	17,414.28	66.72	.21	.80%
Govt Contribution to FICA, Ins & CSRF	124,425.83	476.73	1.47	5.57%
Telephone	42,036.48	161.06	.50	1.89%
Guard Service	4,629.44	17.74	.05	.19%
Maintenance of Active Facilities	4,865.35	18.64	.06	.23
Public Information	8.00	.03	-0-	-0-
Total Non-Salary Costs	\$ 275,604.98	\$1,055.96	\$ 3.26	12.36%
Total Recurring Costs	\$2,145,294.36	\$8,219.52	\$25.37	96.13%
<u>Non-Recurring Costs</u>				
Retroactive Pay	70,168.04	268.84	.83	3.15%
Relocation of District Office	6,925.14	26.53	.08	.30%
Renovation Costs	9,268.00	35.51	.11	.42%
Total Non-Recurring Costs	\$ 86,361.18	\$ 330.88	\$ 1.02	3.87%
TOTAL ALL COSTS	\$2,231,655.54	\$8,550.40	\$26.39	100.00%

NOTE: Average Strength - 326
Number of Paid Days - 261

SUMMARY OF ACTUAL DISTRICT OPERATING COSTS
for the
FOURTH QUARTER OF FISCAL YEAR 1958

<u>Cost Classifications</u>	<u>Total Cost</u>	<u>Average Cost Per Day</u>	<u>Average Cost Per Space Per Day</u>	<u>Percent of Total Cost</u>
<u>Salary Costs</u>				
Basic Salary	\$457,093.80	\$7,032.21	\$22.32	71.73%
Overtime	12,993.88	199.91	.63	2.02%
Terminal Leave	965.36	14.85	.05	.16%
Total Salary Costs	\$471,053.04	\$7,246.97	\$23.00	73.91%
<u>Non-Salary Costs</u>				
Travel & Per Diem	22,385.83	344.40	1.10	3.53%
Supplies & Other	4,400.14	67.69	.21	.67%
Govt Contribution to FICA, Ins & CSRF	31,618.18	486.43	1.55	5.00%
Telephone	15,221.90	234.19	.74	2.37%
Guard Service	1,265.90	19.48	.06	.19%
Maintenance of Active Facilities	4,865.35	74.85	.24	.77%
Public Information	8.00	.12	-0-	-0-
Total Non-Salary Costs	\$ 79,765.30	\$1,227.16	\$ 3.90	12.53%
Total Recurring Costs	\$550,818.34	\$8,474.13	\$26.90	86.44%
<u>Non-Recurring Costs</u>				
Retroactive Pay	70,168.04	1,079.51	3.43	11.02%
Relocation of District Office	6,925.14	106.54	.34	1.10%
Renovation Costs	9,268.00	142.58	.45	1.44%
Total Non-Recurring Costs	\$ 86,361.18	\$1,328.63	\$ 4.22	13.56%
TOTAL ALL COSTS	\$637,179.52	\$9,802.76	\$31.12	100.00%

NOTE: Average Strength - 315
Number of Paid Days - 65

**UTILIZATION OF RESOURCES (MANPOWER)
EQUIVALENT MAN/YEARS FOR FY 1958**

	2210.1		2210.4					2210.9							
Segment	2210-1100	2210-1200	2210-4200	2210-4400	2210-4500	2210-4800	2210-4900	9010-1100	9010-1211	9010-1212	9010-1220	9050-1100	9050-2500*	9050-3200	TOTAL
Operations Div	72			11		1	1								85
Inspection Div	2	71			4	3									80
Legal Office	11														11
Comptroller Off	21		1					15			24	3			64
Service Off	4							26					4	5	39
Dallas Reg Off	7	15	1	1	1	2		1							28
Hqtrs & Sm Bus								5							5
Adjutant								5							5
Civ Pers Off									6						6
ABMA								3							3
TOTAL	117	86	2	12	5	6	1	55	6	24	3	4	5		326

* Includes Teletype Operator

UTILIZATION OF RESOURCES (DOLLARS)
TOTAL OBLIGATIONS FOR FY 1958

Segment	2210.1		2210.4					
	2210-1100	2210-1200	2210-4200	2210-4300	2210-4400	2210-4500	2210-4800	2210-4900
Operations Div	\$494,569			\$89	\$73,731		\$8,055	\$3,515
Inspection Div	25,619	\$503,382	\$856		2,035	\$28,918	22,266	
Legal Office	71,372							
Comptroller Off	120,337		5,135					
Service Office	21,754							
Dallas Reg Off	45,422	105,867	7,999		6,677	5,925	14,417	
Hqtrs & Sm Bus								
Adjutant								
Civ Pers Office	84							
ABMA								
Guard								
Facility Maint.								
TOTAL	\$779,157	\$609,249	\$13,990	\$89	\$82,443	\$34,843	\$44,738	\$3,515

NOTE: These figures do not include retroactive wages.

* Includes Teletype Operator.

UTILIZATION OF RESOURCES (DOLLARS) (CON'T)

9010- 1100	9010- 1211	9010- 1212	9010- 1220	2210-9 9010- 2400	9030- 1000	9050- 1100	9050- 2500*	9050- 3200	TOTAL
\$ 326									\$ 580,285
1,107									584,183
955									72,327
103,991			\$114,711			\$15,277			359,451
118,110							\$58,230	\$25,692	223,786
6,641									192,948
44,559									44,559
24,917									24,917
812	\$32,680	\$1,535							35,111
25,158									25,158
				\$4,629					4,629
					\$14,133				14,133
\$326,576	\$32,680	\$1,535	\$114,711	\$4,629	\$14,133	\$15,277	\$58,230	\$25,692	\$2,161,487

MANAGEMENT IMPROVEMENT

FISCAL YEAR 1958

Source CSOAM-10(R2)

During the period 1 July 1957 through 30 June 1958, this District reported thirty-three (33) outstanding management improvements reflecting an annual monetary savings to the U. S. Government of \$56,614.00. In this same period, numerous other management improvements were reported; however, no monetary saving can be estimated or declared pending complete implementation and evaluation.

ITEM DATA SHEET

1. Arsenal or Command		2 Date
3 Item Number	4 Name and Description	
5 Quantity	6 Dollar Value	7 Procurement Release Date
8 Source of Information		9 Command Contact

History of Last Procurement - if any

10 Quantity	11 Value	12 Producer	13 Date
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Pertinent Points To Be Considered

	Yes	No		Yes	No
14 Set Aside Disaster, Small Bus.			18 Sub-Contract Affect Price		
15 Dwg. and Spec. in SLOD			19 Spec. Equip. Requirements		
16 Ind. Mob. Planning - Nationwide			20 Proc. Continuity Present Prod.		
17 Spec. Req. That Will Control Proc.			21 Gov. Facilities Allowed		

Use Other Side For Explanations

Above Items Determined by Technical Review, Dwg, Specs, and Technical Manuals

Contractors Suggested

22 Contractors Name	Representatives Name

23 Disposition:

SLD 544

EXHIBIT B

4

Inclosure 3

Signature

UNSOLICITED PROPOSALS

DATE
COMMAND OR
ARSENAL

PROC. NUMBERS	NAME CONTRACTOR	LOCATION	BRIEF DESCRIPTION OF THE PROPOSED WORK	DATE REC'D IN BR.	DATE SENT TO A/C	DATES OF MONTHLY FOLLOW UP	DISPOSITION
Inclosure 4							

COMMAND/ARSENAL PROCUREMENT POTENTIAL ITEM LIST

COMMAND/ARSENAL

DATE

ITEM NUMBER	NAME & DESCRIPTION	QUANTITY	PERSONNEL TO CONTACT	POTENTIAL LIST	ACTION OR DISPOSITION
Inclosure 5					